

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2
3 In the Matter of:)

4) File No. FL-04184-A

5 CERTAIN POSSIBLE FRAUDULENT)

6 ISSUERS OF SECURITIES)

7
8 WITNESS: Dan Oran

9 PAGES: 1 through 245

10 PLACE: Securities and Exchange Commission

11 801 Brickell Avenue

12 Suite 1800

13 Miami, Florida 33141

14 DATE: Thursday, January 21, 2021

15
16 The above-entitled matter on for hearing,

17 via WebEx, pursuant to notice at 10:00 a.m.

18

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20

21

22

23

24 Diversified Reporting Services, Inc.

25 (202)467-9200

1 APPEARANCES:

3 On behalf of the Securities and Exchange Commission:

4 TRISHA FUCHS, ESQ.

5 RAYNETTE NICOLEAU, ESQ.

6 801 Brickell Avenue

7 Suite 1800

8 Miami, FL 33141

9

10 On behalf of the Witness:

11 JAMES SALLAH, ESQ.

12 JOSHUA BAUTZ, ESQ.

13 Sallah, Astarita & Cox, LLC

14 3010 N Military Trail

15 Suite 210

16 Boca Raton, FL 33431

1 C O N T E N T S

2 WITNESS: EXAMINATION

3 Dan Oran 5

4
5 EXHIBITS DESCRIPTION IDENTIFIED

6 1 Form 1662 10

7 16 subpoena 16

8 17 subpoena 22

9 18 subpoena 23

10 19 background questionnaire 27

11 20 Form S-1 99

12 21 Form S-1 amended 109

13 23 S-1A 133

14 24 consulting agreement 138

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1 P R O C E E D I N G S

2 MS. FUCHS: We are on the record at 9:58 a.m.
3 on January 21st, 2021. My name is Trisha Siller
4 Fuchs. I'm senior counsel in the Enforcement
5 Division of the Securities and Exchange
6 Commission. Also present is Raynette Nicoleau,
7 senior counsel with the Division of Enforcement.
8 We are officers of the Commission for the purposes
9 of this proceeding.

10 Mr. Oran, the oath or affirmation to tell the
11 truth will be administered via Webex rather than
12 in person. Do you understand and agree that this
13 oath or affirmation to tell the truth will have
14 the same effect as if administered in person?

15 MR. ORAN: Yes.

16 MS. FUCHS: Okay. Mr. Oran, please raise
17 your right hand.

18 Do you swear or affirm to tell the truth,
19 the whole truth, and nothing but the truth?

20 MR. ORAN: Yes.

21 Whereupon,

22 DAN ORAN
23 was called as a witness and, having been first duly sworn,
24 was examined and testified as follows:

25 EXAMINATION

1 BY MS. FUCHS:

2 Q Thank you. Before we begin, I want to
3 reconfirm the understandings that the staff had with
4 your counsel, Mr. Sallah in e-mails prior to today.

5 MS. FUCHS: Also to confirm, Mr. Sallah, are
6 you representing Mr. Oran as his counsel here
7 today?

8 MR. SALLAH: I am.

9 MS. FUCHS: Okay. Are you representing
10 anyone else in these proceedings?

11 MR. SALLAH: Individual or entity?

12 MS. FUCHS: Either. Both.

13 MR. SALLAH: Profile Solutions and Blackpoll
14 Fleet International. Nobody else.

15 MS. FUCHS: I'm sorry. Jim, I couldn't hear
16 you -- the last part.

17 MR. SALLAH: No other. No individuals.

18 MS. FUCHS: Okay. Thank you. Mr. Sallah,
19 during this Webex testimony, SEC will provide
20 access to exhibits, including portions of our
21 investigative file contingent on your
22 representation that you and your client will not
23 in anyway record, save or capture any of this
24 material or record the testimony generally. This,
25 of course, does not preclude you from taking notes

1 during the testimony. Do you agree not to record,
2 screenshot, save or capture any of this material
3 during this Webex testimony?

4 MR. SALLAH: Of course.

5 BY MS. FUCHS:

6 Q Mr. Oran, do you also agree not to record,
7 screenshot, save or capture any of this material during
8 the Webex testimony?

9 A I agree.

10 Q Okay.

11 A Yes.

12 Q I'm sorry? Mr. Oran, can you confirm who is
13 in the room with you?

14 MR. SALLAH: Yes. Jim Sallah, Dan Oran,
15 obviously, and Joshua Bautz associate here at
16 the -- our office. Mr. Bows will step out at
17 11:00 a.m. just -- I don't want to interrupt
18 everything, but he's going to have to step out
19 because he actually has to call on another matter
20 with the Miami office.

21 MS. FUCHS: Okay. Can you also agree to let
22 us know if anyone at any time enters the room or
23 leaves the room?

24 MR. SALLAH: Trish, you're freezing up a
25 little bit. You're freezing.

1 MS. FUCHS: Oh. I was going to say you're
2 freezing. Can you hear me now okay?

3 MR. SALLAH: Yes. A little sketchy. You're
4 still frozen. It's like very -- there's like a
5 lag, a Internet lag or something.

6 MS. FUCHS: Can you hear me okay now?

7 MR. SALLAH: Yeah. What we may want to do,
8 Trish -- we've done this before -- we call on the
9 phone, mute that and do it on the phone so the
10 audio is clear; does that make sense? Have you
11 guys done it like that before?

12 MS. FUCHS: Yeah. I've had to do that one
13 time. So you mean that --

14 MR. SALLAH: Let's try that 'cause it seems
15 to work better.

16 MS. FUCHS: Right. Okay. So let's try that
17 and if we have issue, then we can do it that way.

18 MR. SALLAH: I'll just mute everything. So
19 we're going mute this from here, okay?

20 MS. NICOLEAU: Trisha, I think it's a problem
21 on their end 'cause you're coming from fine, so
22 you don't have to dial in. I think you're good.

23 MS. FUCHS: Okay. Perfect.

24 MR. SALLAH: Hello. Trish?

25 MS. FUCHS: Yeah. I hear you fine.

1 MR. SALLAH: Perfect. This is way better.

2 Because really it was a lag video, it's no big.

3 It's really just being orally -- you know,

4 being -- and see the documents that matter.

5 MS. FUCHS: I know. It's a little tough,

6 yeah. Okay. If you have any issues, let us know

7 and we can always take a break.

8 MR. SALLAH: We shouldn't now. Yeah. We

9 should be fine now.

10 MS. FUCHS: Great. Okay. And if you can

11 please agree that you will let us know if anyone

12 enters or leaves the room.

13 MR. SALLAH: Yes, of course.

14 MS. FUCHS: Okay.

15 MR. SALLAH: You'll be able to see it. You

16 guys can see the whole room, so -- I mean there is

17 only door, so -- but I'll identify the person if

18 they come in or leave so the court reporter would

19 know.

20 MS. FUCHS: Thank you.

21 BY MS. FUCHS:

22 Q Mr. Oran, please state your full name,

23 including middle name and spell your name for the

24 record.

25 A Dan Oran. My first name is D-A-N, my last

1 name is O-R-A-N.

2 Q Okay. Have you ever been known by any other
3 name?

4 A No.

5 Q Bear with me. I'm trying to make it a little
6 louder 'cause I couldn't hear you as well.

7 And have you ever been known by any other
8 name?

9 A No.

10 Q Okay. This is an investigation by the United
11 States Securities and Exchange Commission in the matter
12 of certain possible fraudulent issues of securities to
13 determine whether there have been violations of certain
14 provisions of the federal securities laws. However,
15 the facts developed in this investigation might
16 constitute violations of other federal or state, civil
17 or criminal laws.

18 Prior to the opening of the record you were
19 provided with a copy of the formal order of
20 investigation in this matter. It will be available for
21 your examination during the course of this proceeding.

22 Mr. Oran, have you had an opportunity to
23 review the formal order?

24 A Yes.

25 Q Prior to the opening of the record you were

1 provided with a copy of the Commission's supplemental
2 information -- supplemental information form 1662,
3 which was marked as Exhibit No. 1.

4 (SEC Exhibit No. 1 was marked
5 for identification.)

6 Have you had an opportunity to read this
7 document?

8 A Yes.

9 Q And do you have any questions or concerns
10 regarding Exhibit No. 1?

11 A No.

12 Q Okay. As we mentioned before, Mr. Sallah
13 Mr. Bows are representing you.

14 MS. FUCHS: Would counsel please identify
15 themselves by stating your name and your firm's
16 name.

17 MR. SALLAH: Yes. My name is James Sallah.
18 The name of the law firm is Sallah, Astarita and
19 Cox, LLC. We are at 3010 North Military Trail,
20 Boca -- Suite 200, Boca Raton, Florida 33431.
21 Phone number is (561)989-9080 and Joshua Bautz is
22 at the same address and same firm as to that for
23 location-wise.

24 BY MS. FUCHS:

25 Q Mr. Oran, is there -- are you on any

1 medication or is there any other reason that you cannot
2 provide full and accurate testimony today?

3 A I'm on medication after Corona, but I do my
4 best of my knowledge to cooperate to get you all the
5 information you need.

6 Q What kind of medication?

7 A It's a pills for blood thinners that affect
8 me for the last -- from May until now. I'm still
9 taking it. I was hospitalized in Coronavirus with the
10 clinical death in the hospital for 21 days, so -- but
11 I'm okay. I can --

12 Q Okay.

13 A I can -- I cooperate as much as I can.

14 Q Okay. Does the medication or the
15 Coronavirus, has that affected your memory in any way?

16 A It did affect my long memory. My short
17 memory is okay. My long memory I have some issues, but
18 anything I need I read and I try to cooperate.

19 Q Okay. And when you said your long memory
20 is --

21 MR. SALLAH: Mr. Oran actually -- Trish,
22 Mr. Oran was actually intubated and passed away
23 and was brought back. I mean it was pretty
24 serious.

25 BY MS. FUCHS:

1 Q Wow. Wow. Well, I'm glad to hear you're
2 doing better.

3 A Thank you.

4 Q Has -- and when you say long memory, your
5 long memory has been affected, but not your short-term
6 memory. Can you give me -- like when you say long-term
7 memory, what are you referring to?

8 A I have things that I remember and things that
9 I don't remember, but everything I don't remember, I
10 can go back to details and find out. You know, I write
11 everything to be able to answer. You know, I don't --
12 a lot of things I cannot remember. I will try and get
13 to facts. You know, I don't -- I will do my best to
14 answer whatever you need.

15 Q Okay. And have you had a physician tell you
16 that this has affected your long-term memory?

17 A I didn't go to the physician yet because I
18 waiting for next month to go again to do all the
19 workout. I did couple things. They don't know what to
20 say because it's still new and they don't have any
21 knowledge why I'm affecting, but we checking. Every
22 month I go to the doctors.

23 Q Okay. Have you -- so have you been diagnosed
24 yet in terms of memory issues because of COVID?

25 A They -- I don't request for diagnosis. I

1 request to find out what's my problem. Not yet. They
2 working on it. They say after CAT scan they will know
3 way better, you know, what's going on with me.

4 Q Okay.

5 A But the affect is affect. I'm suffering from
6 different things, including my memory.

7 Q Okay. Is that -- do you think that will
8 affect your testimony today in terms of, for example,
9 how you can testify and how long you can testify today?

10 A I will cooperate with you as much as I can.
11 I usually can stay long. I need to go bathroom, come
12 back, you know, but I will try to behave. You know, to
13 stay as much as you need me.

14 Q Okay. If -- I just want to make sure you
15 know that if you don't feel well, you know, if it's
16 affecting your ability to -- for certain period of
17 time. Like you can't -- you need breaks or you can't
18 sit for as longer period of time, let us know, we'll
19 accommodate you, okay?

20 A I appreciate it. Thank you very much.

21 Q Yeah. Please just let us know. Okay.

22 I'm just going to go over a few procedures
23 we'll be following today. We're going to be asking you
24 questions, both Raynette and I, and please remember
25 you're under oath just as you would be in court.

1 The court reporter transcribes these
2 proceedings and will create a transcript of your
3 testimony at the end. During your testimony any member
4 of the staff may ask a question or a series of
5 questions, please allow the staff to complete the
6 question before responding. If we talk over one
7 another the recording of the testimony won't be as
8 clear. Also please make sure to answer our questions
9 verbally because the court reporter can't pick up
10 nodding or other gestures; do you understand that?

11 A Yes.

12 Q And if we inadvertently interrupt your
13 answer, please let us know and we'll let you finish?

14 A Okay.

15 Q Also, if at any time you don't understand a
16 question, please let us know so we can try to clarify
17 the question for you. If you answer a question, we're
18 going to assume that you understood it. And as I
19 mentioned before, if at any time you want to take a
20 break, let us know and we'll be happy to accommodate
21 you. The only thing we would ask is that, if there's a
22 question pending that you answer it.

23 And also if you have -- if at any time --
24 like I said before, if you don't feel well, let us
25 know, okay. There's -- it's fine to take a longer

1 break or end early and continue later. That's fine.
2 Also, the staff controls the record, so only we can
3 tell the court reporter to go off the record. And if
4 we have any conversations that are substantive when
5 we're off the record, we have to summarize them when we
6 go back on the record. And when we go back on the
7 record after a break, if -- let's say we've just been
8 talking about something that's not substantive, we
9 would just confirm that with you that we didn't have
10 any substantive conversations.

11 Also, during the course of the testimony
12 we're going to be asking you questionings about things
13 that happened or may have happened in the past.
14 Obviously, we understand that time has gone by since
15 these events and you're likely to have a better or
16 complete memory of some events than others. In
17 answering a questions about these events, however, you
18 should tell us about all of your memories or
19 recollections that are responsive to the question, not
20 just those that are specific or perfectly clear, or
21 those of which you are 100 percent sure. We're asking
22 you also for vague memories, general memories, cloudy
23 memories or any memories of which that you're less than
24 100 percent certain. So in other words, we're asking
25 you for any responsive recollection whatsoever that you

1 may have, even if it's incomplete or uncertain, or
2 vague, or nonspecific and then we can sort out which of
3 those memories are clear and certain, which are less
4 clear and less certain; do you understand this?

5 A Yes.

6 Q Okay. So if you answer I don't recall or I
7 don't remember, or I forget, we're just going to assume
8 that you have no memory or recollection whatsoever that
9 is responsive to the question asked, not even fuzzy or
10 less than crystal clear memories; do you understand
11 that?

12 A Yes.

13 Q And it may be that reviewing certain
14 documents refreshes your recollection as to events that
15 you are questioned about, so in such a case, we're
16 asking for your testimony on everything that's
17 responsive to the questions, not just clear or specific
18 recollections; do you understand that?

19 A Yes.

20 Q Great. Can you see what I've put on the
21 screen?

22 A Yes.

23 (SEC Exhibit No. 16 was marked
24 for identification.)

25 Q Okay. So I just shared on the screen what

1 has been marked as Exhibit No. 16. That is a subpoena
2 to you that was dated November 7th, 2019 to Dan Oran.

3 Is this a copy of the subpoena that you're appearing
4 pursuant to here today?

5 A It's Dan Oran there.

6 Q I'm sorry. Can you hear me?

7 A Yes.

8 MR. SALLAH: He just want to point out that
9 that's not his name, but, yes, that is the
10 subpoena that he received and responded to.

11 BY PLAINTIFF:

12 Q Oh. Because it says Daniel; is that right?

13 A That's correct. It's not my name.

14 Q Okay. It's Dan. Okay. Thank you for
15 clarifying that. But this is the copy of the subpoena
16 that you're appearing pursuant to here today; is that
17 correct?

18 A That's correct.

19 Q Okay. And just -- we want to confirm for the
20 record that the subpoena had called for your appearance
21 at our offices in Miami, Florida, but, obviously,
22 because of the pandemic, we're having to do it via
23 Webex.

24 A Yes.

25 Q The subpoena also calls for the production of

1 certain documents, have you provided all documents
2 called for by the subpoena?

3 A I produce all the documents that I be able to
4 retrieve, yes.

5 Q Okay. So then let's just go through that a
6 little bit.

7 Can you describe for us what you mean by
8 that, all the documents you were able to get?

9 A I get all my stuff and send you all the
10 documents on that list that you send me, that's what I
11 mean.

12 Q Okay. Were there any -- okay. So maybe --
13 can you describe for us the search that was conducted
14 for the subpoenaed documents and tell us who conducted
15 that search?

16 A My personal assistant and my -- myself, my
17 accounting department, my advisors, everybody be able
18 to have any record, I ask them to provide me the
19 records and put it together, and I sent all of it to
20 you guys.

21 Q Okay. When you say your personal -- I'm
22 sorry. I didn't mean to interrupt you. I apologize.

23 When you say your personal assistant, who are
24 you referring to?

25 A In that time I think was Robbie Hicks.

1 Q Okay. Robbie Hicks?

2 A In that time, yes.

3 Q But not presently; is that what you mean?

4 A She is not working for me from last year
5 sometime.

6 Q Okay. And then I think you also mentioned
7 that you had your accounting department helping you.

8 A Yes, because there was some --

9 MR. SALLAH: Trish.

10 BY MS. FUCHS:

11 Q Mr. Oran?

12 MR. SALLAH: Yeah. We can hear you.

13 MS. FUCHS: Oh. I think you started to speak
14 and then I didn't hear anymore.

15 MR. SALLAH: So she asked you about the
16 accounting department.

17 A Rebecca Malka, my accounting and Anna Berman,
18 they handling all my books and records. They retrieve
19 all the books and records of accounting, whatever you
20 ask. And Lenny Tucker retrieve all the documents that
21 we have by the e-mails and I send you everything,
22 everything you requested. And we hire a guy also to do
23 all the e-mails and I think all the -- of my website
24 and all the question you ask me, he retrieve it from
25 one of my IT guys and the company that retrieve what

1 you ask.

2 Q Were any documents that called for by the
3 subpoena, were any of them withheld for any reason?

4 A I don't have any documents because I don't
5 have anything to hide, so I send everything.

6 MR. SALLAH: Wait. Excuse me. Trish, there
7 were some privileged documents that were withheld,
8 correspondence with attorneys and so forth. Dan,
9 you may want to reiterate.

10 A Okay. Some documents been hold because of
11 attorney privilege or something, that's the only one I
12 think we owe or we took out from the e-mails, I'm
13 correct.

14 MR. SALLAH: Sure.

15 A Yeah.

16 BY MS. FUCHS:

17 Q Okay. Other than privileged documents, were
18 there any documents called for by the request, but not
19 provided that were in your possession at a prior time,
20 but that were lost, destroyed or otherwise disposed of?

21 A No.

22 Q Okay. And just -- we note for the record
23 that a voluminous amount of documents were produced by
24 your counsel at the very end of December and also last
25 week, so we do anticipate that we might need to call

1 you back for continued testimony regarding those
2 documents, but we can discuss that further. We don't
3 know at this point.

4 MR. SALLAH: And Mr. Oran is in 100 percent
5 cooperation mode. Whatever you need from him,
6 he's here to answer your questions. He wants to
7 cooperate a hundred ten percent; is that correct,
8 Mr. Oran?

9 A Yes.

10 MS. FUCHS: And Jim, as I mentioned to
11 Mr. Oran, please, if he's not feeling well at any
12 point, just please let us know, okay?

13 MR. SALLAH: We appreciate that. We
14 appreciate that, Trish. We really do.

15 MS. FUCHS: Yeah.

16 MR. SALLAH: That came across loud and clear.

17 MS. FUCHS: Good.

18 MR. SALLAH: He does have to go to the
19 restroom quite a bit 'cause he's on a lot of
20 medication for his system, his liver and stuff, so
21 he goes out a lot, but we'll tell you guys if he
22 needs to take a break.

23 MS. FUCHS: Totally understandable.

24 Raynette, do you have anything before I get out of
25 this document?

1 MS. NICOLEAU: No.

2 MS. FUCHS: Okay.

3 (SEC Exhibit No. 17 was marked

4 for identification.)

5 BY MS. FUCHS:

6 Q The court reporter has just marked -- I'm
7 sorry. I'm just showing what the -- what has
8 previously been marked as Exhibit No. 17. Are you able
9 to see that?

10 A Yes.

11 Q Okay. This is a subpoena dated June 18th,
12 2019 to Profile Solutions, Inc. care of Dan Oran. Do
13 you recognize this document?

14 A Yes.

15 Q Okay. I'm going to be asking you some of the
16 same questions I just asked. If that -- Exhibit No. 17
17 calls for the production of certain documents, have you
18 provided to the staff all documents called for by the
19 subpoena?

20 A Yes.

21 Q Okay. Was the -- I was going to ask -- I
22 wanted to ask you the search that you conducted for the
23 subpoenaed documents, is that the same search as you
24 described for your personal subpoena?

25 A Yes.

1 Q Did you use the same people to assist you
2 that you did --

3 A Yes.

4 Q -- for your personal subpoena, which is
5 Exhibit 16?

6 A Yes.

7 Q Okay. And for this subpoena, were there any
8 documents that have been withheld for any reason?

9 A No.

10 Q Okay. And for this subpoena to Profile
11 Solutions, Exhibit No. 17, were there any documents
12 called for by a request that were not provided that
13 were in your possession at a prior time or that were
14 lost, destroyed or otherwise disposed of?

15 A No.

16 Q Okay.

17 MS. FUCHS: Raynette, do you have any
18 questions regarding this document?

19 MS. NICOLEAU: No.

20 (SEC Exhibit No. 18 was marked
21 for identification.)

22 BY MS. FUCHS:

23 Q I'm now showing you what's been marked as
24 Exhibit No. 18, a copy of a subpoena dated June 18th,
25 2019 to Blackpoll Fleet International care of Dan Oran,

1 CEO. Can you see this document?

2 A Yes.

3 Q Do you recognize the document?

4 A Yes.

5 Q Okay. I'm going to ask you the same question
6 I ask for Exhibit 17, whether you have provided to the
7 staff all documents called for by the subpoena?

8 A Yes.

9 Q Okay. Was the search that you conducted for
10 the subpoenaed documents undertaken by the same people
11 who assisted you in the search for the documents called
12 for by exhibits 16 and 17?

13 A Most of them the same people in Blackpoll and
14 that time we have more staff working there that they
15 help me to retrieve those documents, but I'm assuming
16 they're all the same people, yes.

17 Q Okay. Anyone else --

18 A Secretary --

19 Q I'm sorry. I interrupted you accidentally.
20 Who else did you say was helping you for the Blackpoll
21 subpoena?

22 A Accounting and my personal secretary. At
23 that time we have secretary in Blackpoll, probably she
24 helped. I'm not sure. I don't remember. But we
25 retrieved everything you ask.

1 Q And what's the name of that personal
2 secretary at Blackpoll?

3 A In that time, if I'm not mistaken, it was --
4 I think it's Kenya Kodyacova (Ph).

5 Q Do you know the spelling for the court
6 reporter?

7 A I'm not sure. I cannot spell it.

8 MR. SALLAH: We can get the spelling.

9 A I can get you the spelling later on in
10 minutes.

11 BY MS. FUCHS:

12 Q Okay. Any other individuals who helped with
13 the Blackpoll Fleet International subpoena, which is
14 Exhibit 18? Sorry. Could you hear me?

15 MR. SALLAH: No. We didn't hear anything.

16 What was the question, Trish?

17 BY MS. FUCHS:

18 Q Oh. I'm sorry. I asked if there was anyone
19 else --

20 A No.

21 Q -- who assisted in the -- in locating and
22 gathering documents for the Blackpoll subpoena, which
23 is Exhibit No.18? Anyone else that you can think of
24 who you did not mention previously for the other
25 subpoenas?

1 A Steve Delgrado. At that time he worked in
2 the company and he passed away. He is no longer with
3 us.

4 BY MR. SALLAH:

5 Q Stevie?

6 A Yeah.

7 Q How you spell his last name?

8 A Delgrado.

9 Q D-E-L-G-R-A-D-O.

10 A Yeah. He used to be the IT and then he
11 passed away from the Corona.

12 MS. FUCHS: Oh.

13 MR. SALLAH: He died of COVID.

14 MS. FUCHS: Oh. That's so sad. I'm sorry to
15 hear that.

16 BY MS. FUCHS:

17 Q Is there anyone else other than him that
18 assisted in the gathering --

19 A No.

20 Q -- of the documents? Okay.

21 A No.

22 MS. FUCHS: Raynette, any questions? Do you
23 have any questions regarding this document?

24 MS. NICOLEAU: No.

25 MS. FUCHS: Okay.

(SEC Exhibit No. 19 was marked
for identification.)

BY MS. FUCHS:

Q I'm showing you what has been marked as Exhibit No. 19, which is the background questionnaire that you provided to us which is dated January 11th, 2021. First of all, thank you for providing this to us. It saves us a lot of time.

Can you tell us who prepared this document?

A I did it with my accounting girl at my office.

Q Okay. And who were they?

A Rebecca Malka.

Q Okay. Rebecca and Malka or Malka is her last name?

A No. Her name is Rebecca, her last name is
Malka.

O Okay. Anyone else?

A No. Actually, yes, because I didn't know how to prepare it in the beginning and Mr. Lenny Tucker Help us because I didn't know how to do it. We didn't know how to approach this list. Lenny Tucker help us.

Q Okay. If you could look at -- I move the document. If you could look at where it says No. 5 part 1. And it says that -- I think your spouse

1 Nataliya Kirk -- am I pronouncing that correctly?

2 A That's correct.

3 Q Okay. That her occupation is owner of GFS
4 and CSA8411.

5 A That's correct.

6 Q Can you tell us what GFS is and also what CSA
7 8411 what they are?

8 A Of course. GFS is a travel company that we
9 owned until November 2020 and CSA is a office building
10 that we owned and she manages the building. It's a
11 rental office building.

12 Q The CSA 8411?

13 A That's correct.

14 Q And what's the address of that office
15 building?

16 A 8411 West Oakland Park Boulevard, Sunrise,
17 Florida; the ZIP code is -- I need to look at my
18 driver's license. One second.

19 MR. SALLAH: He's going to get the ZIP code
20 out.

21 A 33351.

22 BY MS. FUCHS:

23 Q Is Profile Solutions located at that address?

24 A All my business located in different offices
25 in that address, yes.

1 Q Okay. And has GFS ever had any business
2 relationship or engaged in any business transactions
3 with any entities of which you've been an officer,
4 director or a member?

5 A No.

6 Q So that would include nothing -- no business
7 transactions with Profile Solutions?

8 A No.

9 Q Or Blackpoll?

10 A No. Different business in the same building,
11 but nothing to do with each other.

12 BY MR. SALLAH:

13 Q Wait a minute. Did it ever book flight? I
14 mean it was a travel agency?

15 A No. No. We on the timeshare business. We
16 didn't book flight.

17 Q Okay.

18 A We didn't do anything.

19 Q Just want to make sure there was no -- they
20 didn't book flights or --

21 A No.

22 Q -- whatever. Was just timesharing. Got it.

23 BY MS. FUCHS:

24 Q Okay. And I think we'll get to this in a
25 little bit more detail, but has the state of Florida

1 attorney general ever brought any administrative
2 proceeding against GFS, you or Nataliya Kirk?

3 A I guess GFS, yes, but we settle it down.

4 It's nothing against me or Nataliya.

5 Q Okay. So we'll -- yeah. We'll get to that
6 in a moment.

7 A Yes.

8 Q Has Ms. Kirk or any entity which she has been
9 an officer or director, member, has she received any --
10 or any -- has she or any entity that I just mentioned
11 received anything of value from any entity of which
12 you've been an officer, director or member?

13 A I think I give my wife some shares from
14 Blackpoll and from PSIQ. From my own shares that I
15 own, I give her some shares to hold in her name. But
16 if she receive any money or any salaries from those
17 entity? No.

18 Q Okay. Was the shares that she received I
19 think you said of Blackpoll and did you say also
20 Profile Solutions?

21 A PSIQ, yes.

22 Q PSIQ. I'll say PSIQ.

23 Did she -- why did she receive those shares?

24 A She is my wife. She tell me you have shares,
25 I want shares too, so I need to give her. What I gonna

1 do? I gonna go with divorce from her? No.

2 MR. SALLAH: Let's make it -- Trish, let's
3 make it clear. I don't think they were -- I think
4 they were issued to him, correct?

5 A Yes.

6 MR. SALLAH: And then he subsequently --

7 A That's correct.

8 BY MR. SALLAH:

9 Q You can do whatever you want with them?

10 A Yeah.

11 Q She didn't get them directly from the
12 company?

13 A No. No. No. From me.

14 MR. SALLAH: It was his own personal shares.

15 BY MS. FUCHS:

16 Q Okay. So what I was going to ask is, did she
17 provide any services to any of the companies? Was this
18 some time of compensation, those shares?

19 A No. No. No. It's my own shares that I give
20 her some of them.

21 Q Okay. Has Ms. Kirk ever been a signatory on
22 any financial account for any business of which you've
23 been an officer, director or member?

24 A I think she's authorized on any of my -- in
25 my companies -- any on my private company she authorize

1 signature.

2 Q Okay. So which private companies?

3 A In case of something happen to me, you know,
4 she have the signatures on the company. I send you the
5 list. I cannot give you all the names because I don't
6 remember.

7 Q Okay.

8 A You have the list with all my companies.

9 Q Okay. Is she a signatory on any financial
10 account for PSIQ?

11 A No.

12 Q Or Blackpoll?

13 A No.

14 Q Okay. And then if you can go to -- I'm going
15 down to No. 13 on page 5 where you see Nutra Pharma?

16 A I been -- sorry.

17 Q I see the dates that you had listed, but what
18 is your current relationship with Nutra Pharma?

19 A I invest money. I invest \$300,000 with Nutra
20 Pharma and I had request to have office, sit on the
21 board to be able to make sure that the company working
22 fine. I was on the board for few months, when I
23 realize the company is not working in the way I should
24 be there and I left the company. I resigned from the
25 company and I sue them for the money that I give them.

1 It's a lawsuit in court and we waiting for the result
2 of the judge.

3 Q Okay. So it's still pending; is that right,
4 the lawsuit?

5 A Lawsuit still pending. We going back and
6 forth. They don't want to return the money.

7 Q Okay. And was Nutra Pharma the first
8 publicly traded company that you were an officer or
9 director of?

10 A Yes.

11 Q Okay. How -- and -- so I was going to ask
12 how that came about. Was that just because you made
13 that -- your investment or was there any other reason
14 that you became a director?

15 A I understand they have a problem to sell the
16 products and they ask me to help them to sell their
17 products all over the world because of my relationship.
18 And I get into the company and when I realize they
19 lying to everybody, including me, I didn't keep it, I
20 just left.

21 Q What were they --

22 A I put a lot of people --

23 Q I'm sorry.

24 A I put a lot of people in contact.

25 Q You put a lot of people in contact, what does

1 that mean?

2 A In contact with them to sell the products and
3 then everybody that I put in, they tell me something is
4 wrong, it doesn't work the way it should be work. You
5 know, the guy is not honest, so I -- in the time after
6 I realize myself that he mislead me, I just left the
7 company.

8 Q Okay. And when you -- you had mentioned that
9 they were lying, what are you referring to when you
10 said they were lying?

11 A It's all big lawsuit from the SEC against
12 Nutra Pharma, that they know exactly what happen. I
13 called the SEC in those times to be a part of it to
14 help the SEC, but the SEC never come back to me, so I
15 don't know.

16 BY MR. SALLAH:

17 Q But what do you think they did? Forget the
18 SEC. What do you think they did?

19 A They lie to everybody that they have snake
20 venom farm, that they have orders from a lot of people,
21 that all these -- they all lie. You know, they all
22 make it up, you know. And, you know, nobody care.

23 Q So the lies you said were; they said orders
24 from people that they didn't have. What else did you
25 say?

1 A Mislead the people they have snake farms,
2 they doing sales over, you know, all kind of things.
3 That's the way they put me into the company to help
4 them to sell because they say they have a lot of
5 interested people about the products, but, you know,
6 when I realize, it's not true, you know, I just get
7 out.

8 Q Okay. And how did you realize it wasn't
9 true?

10 A Because I worked in the company and I work on
11 the sales, and I find out what they produce and what
12 they say, it's not the correct things.

13 Q Okay.

14 A It's not working for the purpose they mention
15 to work.

16 Q And was Lenny Tucker involved with Nutra
17 Pharma as well?

18 A When I have a problem with them, that's the
19 time I met Lenny Tucker and I ask him to work with me
20 to try to retrieve my money from them and he was
21 helping me to try to retrieve the money, but we didn't
22 succeed.

23 BY MR. SALLAH:

24 Q No. But did he have a relationship with
25 Nutra Pharma?

1 A He was -- he was promoter.

2 Q Promoter?

3 A Yes. Like he work with them to promote them.

4 BY MS. FUCHS:

5 Q What do you mean promoter? Like what did he
6 do?

7 A He introduce people to the company. I don't
8 know exactly his role there, but, you know, he have a
9 contract with them. I don't know. I never get into
10 the contract. I just introduce between them, you know.

11 Q When you said you introduce, is that how you
12 met Mr. Tucker?

13 A I met Mr. Tucker through one of my partner,
14 Elizabeth Kawinski, that she own one of the company
15 that I involved with and she introduced me to Lenny
16 Tucker.

17 Q Okay. Well, we'll get into that, too.

18 And it shows here Beta Music you were a
19 director from April 4th, 2019 to September 5th, 2019.
20 What's your current relationship with Beta Music?

21 A Beta Music, I'm suing them in the court -- in
22 Broward court for stealing my money and mislead me, and
23 mislead all the investors. I put it in -- I think
24 it's -- I don't know exactly the date, but after I was
25 in the hospital she did somethings in the company that

1 I don't think is right and I put a lawsuit against
2 them.

3 Q Okay. So -- when you said she -- what's the
4 status of your lawsuit?

5 A It's still in court. It's between the court
6 and the lawyer. It's a public record. I think it is,
7 correct?

8 MR. SALLAH: Trish, we can get you copies of
9 these lawsuits if you need any of this stuff.

10 MS. FUCHS: Yes. Just to summarize, like,
11 what the status is.

12 A She mislead me all along from the day I
13 become her partner until the day she change and, you
14 know, take the company and stole everything from
15 everybody, you know.

16 BY MS. FUCHS:

17 Q Okay. So let me break down a little bit of
18 what you said. You said you were suing her, one of the
19 things you said you're suing her for was stealing money
20 from you. What -- can you elaborate on that?

21 A Yeah. I invest with her over \$500,000 from
22 my personal money, you know. I took mortgage for the
23 building that we own and I invest 200,000 in the
24 beginning and then I invest so much money with her.
25 And one day I came to her and I say, come on,

1 Elizabeth, it doesn't work the way you're saying. You
2 give me all these things; future, future, future. We
3 don't make money. Something is wrong. The company is
4 losing money every month and I finance it, and I cannot
5 have more finance. You know, I'm getting broke. And
6 she say, oh, if it's -- you know, I going to buy out
7 the company from you. You going to buy out the public
8 company. You know, all kind of nonsense. I tried to
9 help in the beginning and I see I don't go nowhere, and
10 she start to steal the debt out the company to another
11 company that she create; nonprofit company.

12 BY MR. SALLAH:

13 Q She transferred the assets to the company?

14 A She transferred some of the assets to the
15 company and she tried to business to that company and
16 bring little money to the public company and to
17 original company, so -- and I was in the hospital and
18 she changed all the shares of who makes decision in the
19 company to her name itself, so she is the only
20 decision-maker in the company now. So I got -- I don't
21 think that I have any other way besides to sue her.

22 Q Okay. And you said that she was misleading
23 you and your investors, what did you mean by that?

24 A When I start to invest with her, I invest
25 only \$200,000 and always she said she need more money

1 to go, more money to go; she need to develop a software
2 and we need more money to go, more money to go and I
3 start to get my family involve, my friends, you know,
4 to invest money with her. And after two years I
5 realize that all the money that invest is going in
6 traveling, is going in stuff that, you know, what,
7 people that I don't know and the company -- people that
8 she hired and they don't do anything for the company.
9 So I sit with her. I say, Elizabeth, we need to change
10 the path. You know, we need to do something else. It
11 doesn't work what you doing, you know. Oh, I need
12 another 200,000. Last 200,000. I go put the loan on
13 my house for \$200,000 and that's it. From that
14 \$200,000 I give it to her and she change the face. You
15 know, and try to retrieve the money because I loan it
16 and I put mortgage on one of the properties, you know,
17 and I need to return the money and she disappear. Then
18 she offered the guy -- instead of paying back, she
19 offer him half of the money, you know, and half --
20 she's going to forget about it. And I didn't agree
21 with it. I don't think it's right. I don't think it's
22 right to do that to the people that invest money with
23 us.

24 Q You said she offered some guy half of the
25 money, what does that mean?

1 A It mean I put \$200,000 in the company as a
2 loan for a year and then after the year pass, she
3 offered to give him \$100,000 and forget about the rest.
4 You know, don't pay it. We don't pay the rest. That's
5 it. Take your \$100,000; no interest for your money,
6 nothing and forget about it. And I didn't agree with
7 it. I don't think it's right.

8 Q Okay. So that was offering you half; is that
9 what you meant?

10 A Me, they didn't offer nothing. They don't
11 want to pay me nothing. For me, they don't want to pay
12 anything.

13 Q Who --

14 MR. SALLAH: Trish, the lawsuit lays out --
15 again, you can ask him, but I'm just telling you.

16 The lawsuit well layout just --

17 BY MR. SALLAH:

18 Q Correct me if I'm wrong, one of your
19 allegations is, while you were sick she set up a new
20 company, transferred all the assets over, she's the
21 only shareholder and now that's the company. Nothing
22 flows back to the old company that you own?

23 A No. She flow little bit back to the old
24 company. Nonprofit organization and she in both
25 company. She cannot be. Cannot be.

1 Q Okay.

2 MS. FUCHS: Raynette, do you have any further
3 questions on that?

4 MS. NICOLEAU: No, Trish. Thanks.

5 MS. FUCHS: Okay.

6 BY MS. FUCHS:

7 Q Just one more. How many -- did you bring any
8 investors to Beta Music?

9 A Yes, I bring. There's list of investor, you
10 got all of them. I send you all the list. I cannot
11 remember now, but it's a list of investors.

12 BY MR. SALLAH:

13 Q But these are all friends and family?

14 A Both friends and family of mine.

15 BY MS. FUCHS:

16 Q Okay. As you can see, I'm scrolling down.
17 So No. 25 -- question No. 25 talks about -- first the
18 first paragraph it talks about an investigation and
19 being deposed in connection with an investigation from
20 the Broward County State Attorneys Office related to
21 GFS World, LLC. Can you tell us more about this?

22 A It was a customer complain about GFS.
23 100-and-something complain over GFS for the state
24 attorney.

25 Q Okay.

1 A They send me subpoena to prove everything on
2 the company, I prove everything on the company. After
3 the investigation, from 100-and-something complain,
4 only six or seven complain was real complain. The rest
5 of them is another company. Not me. Not belongs to
6 us. Not have anything to do with us. So the
7 investigation finish with the terms of the state
8 attorney that I accept on behalf of the company. We
9 return money to the people because those companies,
10 when I used to be involved with it, it was money back
11 guarantee to the people. Anybody not happy, I return
12 the money anyway. So they just complain for the state
13 attorney with no reason because we return the money
14 regardless. If you don't happy with the product, we
15 return you the money. It's on the policy of the
16 company, on the contract of the company. When the
17 state attorney realize there's nothing behind it, they
18 just come and ask me for money to pay them for the work
19 for some penalty. So we pay them the money and that's
20 it.

21 MR. SALLAH: Are we sure -- and again,

22 Trish --

23 BY MR. SALLAH:

24 Q Are we sure it was the Broward County State
25 Attorney and not the Attorney General's Office?

1 A I'm not sure, but I think it's Broward
2 County.

3 Q Was this the one -- who handled this?
4 DeSouza?

5 A Daniel DeSouza, the lawyer. I don't own the
6 company no more, so --

7 Q All right. I got it.

8 MR. SALLAH: Trish, I don't think this is the
9 Broward County.

10 MS. FUCHS: Yeah.

11 MR. SALLAH: I got the document. I think it
12 was the Attorney General's Office for a FDUTPA
13 claim, you know, and I think it was just against
14 GFS.

15 BY MR. SALLAH:

16 Q But weren't you as an owner required to
17 guarantee the payment of the moneys back?

18 A I did. I did guarantee. Me and my wife
19 guarantee the payments. We pay them whatever they
20 request and we --

21 MR. SALLAH: I can get you the documents
22 related to that, Trish. It wasn't -- it was the
23 attorney general FDUTPA, whatever group it is up
24 there. It wasn't Broward County State Attorney.

25 MS. FUCHS: Yeah. We have -- we have --

1 actually, we'll show you just to make sure that
2 we're on the same page and we -- there's no
3 misunderstanding.

4 BY MS. FUCHS:

5 Q Is this the same GFS that was listed in No. 5
6 of your background questionnaire, the same entity we
7 just talked about a short while ago?

8 A Yes.

9 Q Yes?

10 A Yes.

11 Q Okay. And then the next paragraph under 25
12 talks about an arrest at the Miami International
13 Airport with the open balance with one of your
14 companies. Can you tell us what that relates to?

15 A Yeah. I came to United States one of the
16 Valentine's Day, you know, to surprise my wife. I came
17 back from Israel and I been arrested, and I report it.
18 They say the arrest is with no bail. You cannot get
19 out in Miami. I ask what's the reason. We cannot tell
20 you. I go to court after a few days because it was
21 Valentine and the judge tell me. It's something in Las
22 Vegas that they can put arrest without bail. Only in
23 Las Vegas. Only place in the country with Casino. I
24 ask what's the problem. He say you owe money to Las
25 Vegas Caesar Palace. I said, I don't owe them money.

1 I don't know how it come up, but what I need to do to
2 be released. He tell me, you need to pay this money
3 and they release you and go to Las Vegas. I did the
4 same thing. I pay the money here in Florida; they
5 release me from jail; I fly to the court in Las vegas.
6 And the judge tell me, if you have any problem with
7 them, sue them. You nothing to do here and he let me
8 go.

9 Q Okay.

10 MS. FUCHS: Raynette, do you have any other
11 questions regarding Exhibit No. 19?

12 MS. NICOLEAU: No.

13 MS. FUCHS: What's that?

14 MS. NICOLEAU: No, I don't. No, I don't.

15 Thanks.

16 A And he's been dispatch from court. I don't
17 remember when.

18 MR. SALLAH: That's fine.

19 (SEC Exhibit No. 40 was marked
20 for identification.)

21 BY MS. FUCHS:

22 Q I'm showing you what was marked as Exhibit
23 No. 40. It's a document -- Office of the Attorney General
24 State of Florida Department of Legal Affairs. It's in
25 the matter of GFS World, LLC, Dan Oran, Nataliya Kirk,

1 Vladimir Kudyako and some other entities.

2 Exhibit No. 40, is this the document we were
3 just referring to before for No. 25 in your background
4 questionnaire?

5 A Yes.

6 Q Okay. So we'll just confirm that's it
7 correct. It not the Broward -- it wasn't Broward. It
8 was the State of Florida Attorney General's Office; is
9 that correct?

10 A Yes. It's on the paper, yes.

11 Q Right. Okay.

12 MR. SALLAH: Just for the record, Josh Bows
13 is stepping out to make a call.

14 MS. FUCHS: Okay. Thank you.

15 A Can I go to restroom for one minute?

16 MR. SALLAH: Yes. He'd like to know if he
17 can go to the restroom?

18 MS. FUCHS: Yeah, of course.

19 MR. SALLAH: Can we take a break, Trish?

20 MS. FUCHS: Of course. We'll take a break.

21 THE WITNESS: Thank you. Thank you.

22 MS. FUCHS: Thank you.

23 (Whereupon, a brief recess was taken, after
24 which, the following was had.)

25 MS. FUCHS: We're back on the record after a

1 short break.

2 BY MS. FUCHS:

3 Q During that time we had no substantive
4 conversations, is that correct, Mr. Oran?

5 A Yes.

6 Q Okay. Before we went on the break we had put
7 up on the screen Exhibit No. 40, a copy of the Attorney
8 General assurance of voluntary compliance document.

9 MR. SALLAH: Is it, Trish, 40 or 20?

10 MS. FUCHS: 40. It's -- there's some
11 exhibits that are out of record, Jim.

12 MR. SALLAH: Okay.

13 BY MS. FUCHS:

14 Q Is this -- and this we just confirm -- I just
15 want to confirm, this is the document you refer to in
16 your background questionnaire regarding GFS; is that
17 correct?

18 A That's correct.

19 Q Okay. And if you look, go down. I'm
20 scrolling down in the document to paragraph 20,
21 injunctive terms, what does that refer to?

22 A You need to ask my lawyer. I don't know.

23 Q Okay. So do you have any understanding as to
24 what this means?

25 A I don't have any understanding in the law. I

1 have understanding that I hire the lawyer and they do
2 the job what need to be done. I don't know. I don't
3 know what they want and why they approach and this is
4 why I hire lawyers.

5 Q Do you know what you're enjoined from doing?
6 Just not using legal jargons, just your own
7 understanding.

8 A I didn't do anything wrong in the beginning
9 and I didn't do anything wrong until I start the
10 company, so they claim some claims and we agree not to
11 do whatever we didn't do any way. So I don't know.
12 This is why I hired the lawyer and they figure out what
13 we should do and what we should not. And I'm not
14 running the company on a daily basis. I have a
15 manager, they report to my lawyers and then working
16 together not to do any mistakes. But I didn't do
17 anything there. I not work physically in the company.

18 Q And do you notice there's initial on the
19 bottom of each page; do you know whose initials those
20 are?

21 BY MR. SALLAH:

22 Q Those your initials, Dan?

23 A This is my initial, yes.

24 Q Okay. If you go down, I've scroll down to
25 paragraph 35, compliance, do you understand what this

1 requires you to do or the other parties who are
2 respondents?

3 A I did -- I did understand when that time was
4 happen, when my company used to be mine. It's no
5 longer mine. I have the manager of the company sitting
6 with the lawyer and with me, and we decide how to
7 approach it so we not going to have any issues. We did
8 approach it. I get rid of the company last year in
9 November. I don't own the company and I don't do
10 anything or any of this business any way.

11 Q Okay. Why were you the person who initialed
12 this since there were other respondents as well?

13 A Because I was working with the lawyers and
14 they ask me to initial and I initial it.

15 Q Okay. But do you -- do you have any
16 understanding as to why you were the ones who
17 initial -- you were the one rather than someone else?

18 A No. It can be my wife; it can by Vladimir.
19 They want all of us to be on the paper. We all sign
20 for the paper.

21 Q Okay. And if you see, I have scrolled down
22 to page 18 of 39 of this document, which is Exhibit 40.
23 Is that your signature under GFS World, LLC where it
24 say "agreed to"?

25 A That's correct.

1 Q Okay. And it dated it looks like
2 November 17th, 2017; is that correct?

3 A That's correct.

4 Q Okay. And it says that you are -- you were
5 president of GFS World, LLC doing business as Global
6 Fulfillment Services; is that correct?

7 A That's correct.

8 Q Okay.

9 MS. FUCHS: Raynette, do you have any
10 questions?

11 BY MS. NICOLEAU:

12 Q Mr. Oran, you said that you no longer -- that
13 you got rid of the company last year, does that mean
14 you sold the company?

15 A I sold the company in November -- November --
16 I think it was November 1st, 2020. I not own the
17 company.

18 Q Okay. Who did you sell it to?

19 A To one of my affiliator that he used to do
20 business with me. His name is Jean something. I don't
21 remember his last name. He used to be one of my
22 affiliator and I sold him the company.

23 MR. SALLAH: We could get that information.

24 We can get that information.

25 A It's on contract with Daniel DeSouza, the

1 closing and everything.

2 Q Okay. All right. Thank you.

3 BY MS. FUCHS:

4 Q Did you sell GFS? Was it a cash transaction?

5 A He give me deposit of \$150,000 in November
6 and he pay me the payments every month until -- I think
7 it's 24 months of partial payment every month.

8 Q Okay. But I mean, there's no -- is there any
9 kind of stock involved or is it a cash transaction?

10 A What you mean? I sold him the stocks of the
11 company with all the equipment, with all the
12 information on the company.

13 MR. SALLAH: Trish, is it -- wait. Hold on.

14 BY MR. SALLAH:

15 Q Is it an LLC?

16 A It's under LLC.

17 Q Would be a membership change, not stock.

18 A Whatever, it was there. I don't know.

19 BY MS. FUCHS:

20 Q Right. Sorry. I'm not the lawyers. I have
21 lawyer. They do the --

22 MR. SALLAH: He doesn't know.

23 BY MR. SALLAH:

24 Q But whatever, it was a transfer, the
25 ownership?

1 A Everything transferred to him 100 percent. I
2 don't own anything on this company anymore.

3 BY MS. FUCHS:

4 Q Why did you decide to sell it?

5 A I came after Corona. I really don't do
6 anything from February until now. I'm just trying to
7 cover. So I cannot handle anything and I need to find
8 how to get straight again and make sure that I can
9 start fresh in couple months when I going to be
10 healthy. They say in May, June, July I will be able to
11 come back to normal. So right now, I'm very not
12 concentrate and my mind is not on working, you know,
13 and I just sick.

14 MS. FUCHS: Raynette, do you have anymore
15 questions regarding this document, Exhibit 40?

16 MS. NICOLEAU: No. Thank you.

17 MS. FUCHS: Okay. Okay. Do you see me now?

18 MR. SALLAH: Yes, Trish. Now you're back up.

19 MS. FUCHS: Caretha, can you see me now?

20 THE COURT REPORTER: Yes, I can.

21 MS. FUCHS: Okay. Perfect.

22 (SEC Exhibit No. 39 was marked
23 for identification.)

24 BY MS. FUCHS:

25 Q Do you -- can you see Exhibit 39 that I just

1 put up?

2 MR. SALLAH: Yes, we see it.

3 BY MS. FUCHS:

4 Q And for the record, Exhibit 39 is part of an
5 excerpt of a web capture for senior management for
6 PSIQ. And just -- Mr. Oran, is it okay if I just refer
7 to Profile Solutions as PSIQ?

8 A Whatever comfortable for you, yes.

9 Q Okay. Perfect. What is -- do you recognize
10 this document, Exhibit 39?

11 A This is -- seems like -- I'm not sure, but it
12 seems like one of my profile.

13 Q Does it look like -- when you say one of your
14 profile, does it look like a part of the website for
15 Profile Solutions or PSIQ?

16 A It's possible. I don't know. I don't know
17 when the website. If it's there, it should be there.
18 I don't know. I don't know where you guys got it from,
19 but you got it from somewhere.

20 Q Was there web --

21 A I cannot tell you where.

22 Q Okay. Was there a website for PSIQ?

23 A It's still a website for PSIQ, yeah.

24 Q Okay. Who produced that website?

25 A We build the websites.

1 Q Okay. Who did that?

2 A One of my -- I don't know if it was Ricardo
3 or Henry, or Steve. I don't know. One of them. One
4 of the IT guys of the company. I don't know which one.

5 Q Who provided the information, the content for
6 the website?

7 A I provide the content. It's my content.
8 It's what I did. What I did on those times before and
9 after.

10 Q Did anyone assist you in providing that
11 content?

12 A Yeah. Lenny Tucker help me to write it down
13 and then we send it to the lawyer, I think so. When we
14 put it in to make sure that everything is correct.

15 Q Okay. So you and Lenny Tucker, anyone else?

16 A I don't think so.

17 Q Okay. And I think you just said you and
18 Lenny Tucker provided it to a lawyer, is that what you
19 said?

20 A Any documents or any documents that I
21 produced always been check with one of my lawyers. I
22 cannot tell you who it was at that time and that
23 minute, and what this document came from. If it came
24 from another company that I was before and we moved
25 that document to another company, I cannot tell you.

1 Q So you -- is it correct that you can't recall
2 which lawyer you would have provided this to a copy of?

3 A I cannot.

4 BY MR. SALLAH:

5 Q Who could it have been? What lawyer?

6 A I need to check who was the lawyer in the
7 company and PSIQ at that time, and he probably got the
8 same e-mail.

9 Q It could have been Jackson? It could have
10 been --

11 A It can be Jackson; it can be Leinwand; it can
12 be Henry; it can be Eddie Nurieli; it can be one of
13 them. I don't know which because we work with
14 many lawyers.

15 Q Did you mention -- you mentioned three I
16 think. One was Jackson?

17 A Yeah. Jackson Maurice.

18 Q But Jackson, is Jackson the first name or
19 last name?

20 A I think Jackson is his first name. Maurice
21 is his last name. I'm not sure.

22 MR. SALLAH: He's the lawyer on the front of
23 the S-1s for profile.

24 BY MS. FUCHS:

25 Q Okay. Right. So Jackson Maurice. Maurice

1 you think is the last name or a different attorney?

2 MR. SALLAH: Morris. Jackson Morris,

3 M-O-R-R-I-S.

4 MS. FUCHS: Jackson Morris. Right.

5 BY MS. FUCHS:

6 Q Any other attorneys it could have been?

7 A It can be Jonathan Leinwand.

8 Q Anyone else?

9 A It can be Henry Nasser.

10 BY MR. SALLAH:

11 Q Henry Nasser? N-A-S-S-E-R?

12 A I don't think so. I don't know how to spell
13 his last name.

14

15 BY MS. FUCHS:

16 Q Anyone else?

17 A No. Not that I know.

18 Q Okay. Are you -- but are you -- are you
19 certain that you provided it to an attorney to review?

20 A I'm 100 percent that any document that I see,
21 one of the attorneys see it.

22 Q Okay. So if you're looking at the first page
23 of Exhibit 39 for senior management, the first one is
24 you, Dan Oran; is all that information correct that's
25 in that paragraph?

1 A Dan Oran CEO has been the president, chief
2 executive officer in Profile Solutions, that's correct.
3 That's what I've been.

4 Q Right.

5 A Blackpoll Fleet International, Inc., since --
6 that supposed to be correct. If they didn't, they
7 mistaken the date. I don't think they did mistake.
8 Dan Oran has been -- that's correct. I was consulting
9 in the Cyber Tech. This is also correct, when I moved
10 to the US; registered is correct; the commercial
11 property is correct and this is correct. Aboulafia, I
12 used to manage it and we did this, too; this is
13 correct. Everything is correct there.

14 Q What's Aboulafia?

15 A Aboulafia used to be one of my electronic
16 companies in 2005, '6, '7, something like that. And I
17 used to have electronic stores in downtown Miami.

18 Q Okay. The next page under senior management
19 for Profile Solutions is Leonard Tucker, do you know
20 who wrote that information about Mr. Tucker?

21 A I'm assuming Mr. Tucker himself.

22 Q Okay. And why does it have -- in parens why
23 does it say consultant?

24 A When I met Mr. Tucker he was offer me
25 services in consultings through Nutra Pharma. When I

1 start my first deal with public companies because of
2 his knowledge, I ask him if he want to be a consulting
3 and if I going to get Blackpoll, and he agree to be
4 consulting and I hire him as consulting to the company.
5 I give him positions and I bought the company; we
6 structure the deal together and I bought the company,
7 and he become very close to me. I put him in a seat
8 next to me in my office and we work together for few
9 years.

10 Q And he still works with you?

11 A He's not. After this incident I blame him
12 for most of it because, you know, he supposed to guide
13 me in the right way and whatever happened with you
14 guys, I think is part of his fault if I get to the
15 situation, so I fire him.

16 Q Okay. And when did you fire him?

17 A Well, last year sometime. I cannot tell you
18 exactly dates. It's not in mind. If you need the
19 documents, we send documents. And he's been fired.
20 But we on good terms. You know, I fire him from the
21 company. He say that it's not his fault. It's nothing
22 related to him. He didn't do anything wrong. You
23 know, I didn't want to shut him down and sue him for
24 the damages he create me. I just waiting to see what's
25 the real problem.

1 Q When you say you fired him from the company,
2 what company are you referring to?

3 A From all of them. From Blackpoll, from PSIQ
4 and from Beta. He been fired from all of them.

5 Q Okay. And when you said you blamed him for
6 this incident, what incident are you referring to?

7 A The SEC stopped me from trading. I didn't do
8 anything wrong on my behalf. I didn't know if I did
9 anything wrong or I don't do. So he supposed to be to
10 watch so I don't get in any trouble. I don't have any
11 problem with anybody. To check everything with the
12 lawyers to make sure everything is correct. I did not
13 come from that world. I come from a retail business.
14 And everything was -- and his opinion and make sure
15 that been check with the lawyers and make sure that we
16 doing the correct things, and when everything come down
17 to investigation, I don't like it. I don't supposed to
18 be here.

19 Q When you said that the SEC stopped you from
20 trading, what are you referring to?

21 A I'm referring the SEC stopped Blackpoll from
22 trading in the market and then stopped Beta, and then
23 stopped PSIQ with the subpoena, ten days holding. I
24 cannot come back to trading. The SEC destroyed by
25 company, all my operation, all my work for the years.

1 Q Did Mr. Tucker still work for you after the
2 trading suspension of Blackpoll?

3 A After the trading suspension in Blackpoll he
4 did work for us for few more months and then I fire him
5 because of one of the argument that he claiming is not
6 his fault and he wanted to keep paying him the money
7 that I pay him and I cannot afford to pay no more and I
8 fire him.

9 Q And it says here that he -- he's listed under
10 senior management and why is he listed here under
11 senior management?

12 A He was in my right-hand -- in my -- he was
13 doing everything for the company. He work with me on a
14 daily basis as a consulting and management, you know,
15 because I -- I been traveling all over the world to
16 close deals and to manage the operation, and I need
17 somebody in my office to help me out with all the
18 paperwork; to help me out with all the interactions and
19 he did for me all these stuff.

20 Q Okay. And I think you start to say he was
21 your right hand; is that what you were saying?

22 A That's what I'm saying, yes.

23 Q So was he, in fact, a member of senior
24 management for Profile?

25 A He was a consulting, but he was consulting

1 for the company. I don't know if you want to call it
2 senior manager -- consulting senior manager. He was
3 with me 24 hours a day. I work 20 hours a day in those
4 times you know. And he was always available for me to
5 do whatever need to be done.

6 Q Did he ever have a title with -- we'll start
7 with Profile Solutions. Did he ever have a title with
8 Profile Solutions?

9 A I don't know. If he was, he uses the
10 consulting. I don't know if he have a title. I don't
11 think so.

12 Q I mean some type officer or director?

13 A I don't think he been officer or director in
14 the company, no.

15 Q Why was that?

16 A I didn't find anything to put him as an
17 officer or director in the company. In that time I
18 didn't find a reason to do that.

19 Q Did he do the work that an officer or
20 director would have done?

21 A I don't know what you call work of officer or
22 director. He did anything I ask him to do.

23 Q Well, did he do anything different that one
24 of your officer or director would have done for you?

25 A I don't know how to answer that. I'm sorry.

1 That's the question that I cannot answer. He was a
2 consulting for my company. I don't know how to answer
3 that question. I didn't hire him as a director and I
4 didn't hire him as a officer. He was a consulting.

5 Q So if you can give me specifics of -- for
6 Profile what he did in consulting. I know you said he
7 was available to you 24 hours a day, what specifically
8 did he do for Profile?

9 A He prepare -- checked all the records of my
10 deals with -- coordinate with my lawyers, coordinate
11 with the stock exchange -- stock security exchange,
12 coordinate with my -- with anybody that I ask him to
13 do, prepare for me all the documents which then send
14 them to the lawyers to be checked and then bring it
15 back to the company, and I sign for them. He did all
16 the work for me as a consulting.

17 Q Was there ever a discussion that you had with
18 him as to any reason why he could not be listed or
19 should not be listed as an officer or director of PSIQ?

20 A He always say that he can be a director in
21 the company. I didn't want to put him on the company
22 director. I didn't want to put him there. He always
23 ask, you know. I didn't want to put him there because
24 I don't know. You know, he was my main guy and I
25 didn't know -- I didn't want to have more commitment

1 that I have on him for the big salary to put him and
2 then I going to have a problem to get rid of him, you
3 know, if something happen, you know, from my experience
4 in life.

5 Q So he asked to be a director; is that what
6 you said?

7 A Few time. Few time we have that discussion,
8 but I never did it.

9 Q And you didn't want him to be director
10 because of the salary; is that it?

11 A You know, he have a big salary with me and I
12 didn't want to have more into the company. When I
13 realize -- in the beginning we didn't have any
14 discussion like this, but when I realize that I start
15 to have issues with the SEC, I didn't want to have more
16 commitment with him to have another problem. So, you
17 know, he say it's not his problem. He can be a
18 director, an officer in the company. He can be in the
19 front of the company. You know I realize that -- you
20 know, he's -- he should be a consulting.

21 Q It talks about that he has experience in
22 management, marketing, administrative, organization and
23 sales. That's the first sentence. What's your
24 understanding of what that experience is?

25 A Whatever I understand from Mr. Tucker, that

1 he used to work in the past and be involve with the
2 stock market and he know anything in and out of the
3 stock market, and he can help to -- he can help me to
4 run my operation smoothly and secure without any issues
5 and any problem. This is why I hired him.

6 Q Did he tell you how he was involved in the
7 stock market?

8 A He tell me that in -- 30 years ago he was
9 involved with few trading public companies and he tell
10 me all his background stories and everything.

11 Q How is he -- did he tell you -- what kind of
12 stories did he tell you?

13 A He tell me all these story about he was
14 convicted and that he was siting in jail and he did
15 some mistake in the past.

16 Q When did he tell you he was a convicted
17 felon?

18 A Right after I hire him. Maybe few weeks
19 after I hire him.

20 Q When was that?

21 A I think it was 2017.

22 Q Did he say what he was convicted for?

23 A He tell me what he convicted for and he bring
24 me a paper to say that if conviction, he can operate a
25 public company with me; he can work with me. He has no

1 problem with it. I consult with my lawyers all over
2 and say it's okay. He doesn't need to do anything. He
3 can be consulting. I check with all the three lawyers
4 at that time, everybody say he's okay, so I didn't say
5 any problem with that, you know, to hire him, you know.

6 Q Which lawyers did you talk with?

7 A Henry Nasser from New York. I forgot the --

8 MR. SALLAH: Sichenzia.

9 A Sichenzia & Ross and I consult with --

10 MR. SALLAH: Jackson Morris.

11 A Jackson Morris and I consult with few other
12 lawyers, everybody tell me that he have no problem to
13 work in a public company as consulting.

14

15 BY MS. FUCHS:

16 Q And did they say anything -- did they say
17 that in any kind of written form?

18 A I don't know. I don't think I have any
19 written form, no. No. But even today the lawyer say
20 that he doesn't think one of the lawyers --

21 MR. SALLAH: Let's not get into
22 attorney-client stuff.

23 A Okay. I'm sorry. I don't have anything on
24 record. Sorry.

25 BY MS. FUCHS:

1 Q Okay. So nothing in writing? For example,
2 no letters or e-mail, or anything?

3 A Nothing in writing.

4 Q Okay. Was the reason he was made a
5 consultant instead of an officer or director because of
6 his conviction?

7 A I don't think so. His name showing on all
8 the documents, all the paper. Anybody want to know who
9 is Lenny Tucker, just look at his name. You know, I
10 don't think he hiding behind anything. I don't think
11 so.

12 Q No. I -- what I meant was, was there an
13 understanding that he would be called a consultant
14 instead of an officer or director because of his
15 conviction?

16 A I don't think so. I don't think so.

17 Q Can you tell me what you mean you don't think
18 so?

19 A I don't think because of his position of a
20 consulting or any other position. I didn't find -- you
21 know, I didn't want him to be in the company for my
22 reason, not because of his -- or something. I tell him
23 I don't want another person in the company.

24 BY MR. SALLAH:

25 Q You you're the only officer in the company?

1 A I'm the only officer and director. I don't
2 want somebody that happen to me with Elizabeth. She
3 have the rights and she did whatever she want now and
4 I'm stuck. I need to go to the court.

5 Q Did you have any understanding as to any
6 limitations he had because of his conviction?

7 A The letter he show me it's from an officer of
8 the SEC that he sue him. That officer sue him and put
9 him in jail. That he have no problem to do any of
10 those transaction, so -- to work in any public company
11 and do any position, so I really don't know. I really
12 don't know.

13 Q What letter did he show you?

14 A From an officer that put him in jail. The
15 officer that convict Lenny was giving him a letter that
16 he can work in any -- the lawyer now in somewhere and
17 he give him a already that he can work in any public
18 company, do any position. So I don't have any other
19 way -- and I show this. You know, I talk to my lawyers
20 and everybody say it's okay, so as a consulting he can
21 work with me.

22 Q Okay. Did you have a -- did you keep a copy
23 of that letter?

24 A I didn't. I didn't find a reason to keep a
25 copy, no.

1 Q Did you have any --

2 A He has it. He has it.

3 Q Did you ask him for a copy?

4 A I didn't. I can ask him. I didn't want to
5 ask him yesterday. Actually, I think about it
6 yesterday. I didn't want to ask yesterday. I don't
7 have it.

8 Q Okay. So you haven't asked him for it; is
9 that correct?

10 A I didn't. I didn't.

11 Q Okay.

12 BY MR. SALLAH:

13 Q You didn't keep it in the ordinary course?
14 we don't want to ask him for it now.

15 A No, I didn't.

16 BY MS. FUCHS:

17 Q Do you know what his criminal conviction was
18 for?

19 A I didn't understand it because I'm not from
20 that part of business before. I didn't understand what
21 he did. But he did something and he -- you know, he
22 convict for that. I don't know. I don't know. He did
23 some stealing or something. I don't know what he
24 exactly did.

25 Q Did you read the letter that he showed you?

1 A I read it, but I don't remember what was on
2 it in details. I don't remember.

3 Q Do you remember if the letter said anything
4 about what he was convicted for?

5 A I don't remember. I don't want say something
6 that I don't remember.

7 Q Did you see any copy of the document, the
8 judgment or order against him regarding his conviction?

9 A I didn't.

10 Q Did you Google him to see?

11 A Actually -- I'm sorry. Sorry. Yeah, I did.
12 I did. I did. I did read it.

13 Q Oh. When?

14 A Long time ago, but I did. If you ask me now
15 to remember what was on there, I don't remember, but I
16 did read it.

17 Q How did you get a hold of it?

18 A One of my colleagues give it to me in one of
19 our meetings after I already hire Lenny Tucker.

20 Q Which colleague?

21 A His name is Benny Alan.

22 Q Was that before Mr. Tucker told you about his
23 conviction?

24 A It's before Mr. Tucker told me about his
25 conviction, yeah.

1 Q And when you -- and how did Benny find out
2 about that?

3 A His lawyer Google Lenny Tucker and he show me
4 the paper.

5 Q Did Benny have any concerns?

6 A He did, but, you know, it's my fault. I told
7 him -- I don't know if it's my fault because I don't
8 think he did anything wrong until now. I told him that
9 I think he's a good guy, you know.

10 Q Did you have any concerns about Mr. Tucker's
11 criminal conviction?

12 A I'm open mind to convict fellers to give him
13 second chance. I didn't take any consideration of
14 Lenny going to do anything in my office regarding any
15 crime because I told him, the first thing I go, I go to
16 the law and I gonna sue you if you do something wrong
17 with me. So I'm a opened guy. You know, I think to
18 give second chance to people in particular with all the
19 lawyer say it's okay to give him the job. You know, I
20 didn't find anything against him until something
21 happened and I know that he did something wrong.

22 Q Do you know besides the criminal conviction,
23 does he have any other disciplinary background?

24 A What is disciplinary? I don't know.

25 BY MR. SALLAH:

1 Q Did he get in trouble for anything else
2 besides the criminal conviction?

3 A Not that I know.

4 MR. SALLAH: By the way, Trish, just for the
5 record, Joshua Bautz has come back in the room. I
6 just want you guys to be aware of that for the
7 record.

8 MS. FUCHS: Thanks, Jim. 'Cause you're not
9 on video, I can't see you right now.

10 MR. SALLAH: Really? Trish, we can't see
11 you. You can't see us?

12 MS. FUCHS: Yeah. I can see the court
13 reporter, I can't see you.

14 MR. SALLAH: 'Cause we can see you and the
15 court reporter.

16 MS. FUCHS: We can continue though.

17 MS. NICOLEAU: I can see Jim's office.

18 BY MS. FUCHS:

19 Q Do you know if he had any disciplinary
20 background with the SEC?

21 A I really don't know if -- I don't think -- I
22 don't know if he have anything. No, I don't know.

23 MS. FUCHS: And Jim, just to let you know; I
24 saw your office a second ago and it went off, but
25 don't worry. It's not a big deal. As long as I

1 can hear you, it's fine.

2 BY MS. FUCHS:

3 Q And I think we talked briefly before that you
4 met him through a Elizabeth Karkowski; is that correct?

5 A Kawinski. She was -- she was that time my
6 partner in one of my private company.

7 Q And how did you -- did she introduce you to
8 Mr. Tucker?

9 A She bring him physically to my office and
10 introduce me the best guy in the world to do a
11 public -- to help me with Nutra Pharma for the public
12 trading company.

13 Q Do you remember when that was?

14 A Sometime in 2016.

15 Q Do you know how she knew him?

16 A Apparently they from the same background. I
17 don't know. They was friends. I don't know how.

18 Q Okay. And what did he tell you about his
19 involvement with public companies?

20 A He tell me that he know how to operate public
21 company because I didn't have any experience. I need
22 somebody next to me to help me out to sort the
23 structure and to make sure I don't do anything wrong.
24 So he said he can help me. He know how to do it. Make
25 sure that nothing going to happen because he already

1 have the experience in public companies. And, you
2 know, she bring him to my office; she's my partner; I
3 trust her judgment, you know, and I hired him.

4 Q Okay. Was he also -- on behalf of PSIQ, was
5 he the contact for the transfer agent?

6 A He was the -- because I'm traveling a lot
7 between the countries, you know, I need somebody on
8 ground to be able to contact the transfer agents and to
9 contact the lawyers, and, yes, he did it.

10 Q Did he have to have your approval before
11 doing certain job duties or was there anything that he
12 could do on his own without your approval?

13 A He didn't do -- I don't think he did anything
14 without my approval because -- in my authorization,
15 everything needs to go through me. If he did something
16 without my approval, I don't know what.

17 Q Was he allowed to work on press and --
18 releases without your approval?

19 A Any press release that I did I read it before
20 and I consult with my lawyers before I release them.
21 He didn't put any press release without me to go over.

22 Q Was he -- was he allowed to work with any
23 marketing companies without your approval?

24 A I did approve one marketing company to work
25 with that I know. I don't think we work with any other

1 marketing company.

2 Q What was that marketing company?

3 A I don't know the name, but I know the name of
4 the person. He -- the owner of the marketing company
5 was Adam Berk.

6 Q Okay. Was there also a company called
7 Broadman?

8 A I don't know if it was Broadman. I don't
9 think we hire a Broadman. I think one of -- if I'm not
10 mistaken. I don't know. One of the shareholders hired
11 them in my opinion.

12 Q What's your present relationship with
13 Mr. Tucker?

14 A We on good terms. We talking on the phone
15 when I need some documents to retrieve something from
16 the company. He have most of the -- all the documents,
17 actually, for the company. Until I fire him, he got
18 all the documents. And, you know, for me it's easy to
19 retrieve it from his e-mails because I don't write much
20 e-mail. He write most of the e-mails and I approve
21 them, so he have all the -- easy to find them.

22 Q Are you -- do you have any type of work
23 relationship with him at all?

24 A In this meeting? No. No. He work with
25 other public company.

1 Q Are you planning any types of future business
2 activities with him?

3 A If I know that Lenny Tucker have no issues
4 with the stock exchange, I will consider. If I know
5 there is a problem with him on -- in the stock
6 exchange, I never going to hire him again to anything.

7 Q Did you speak -- have you spoke with him
8 about potentially having future business activities
9 with him?

10 A He try to get me involve with a lot of
11 investments, I'm not doing anything until I clear the
12 situation that I am in right now. I don't do any
13 business, not investment, no follow what he does. He
14 doesn't bother me -- bother me now. It's my situation?

15 Q Have you told him you'll consider doing work
16 with him at some point in the future?

17 A I didn't tell him anything until I verified
18 what is the problem. I don't know the problem. Until
19 now I don't know from you guys what's the problem, so
20 how I going to tell him anything.

21 Q Was he ever a signatory on any financial
22 accounts of any businesses in which you were an
23 officer, director or member?

24 A Never.

25 Q Okay. Were there any functions that any of

1 your businesses, let's say -- let's start with PSIQ.

2 Was there any function that he was not involved with?

3 A I took him as my consulting, so anything I
4 did in those company I ask him his opinion. So he know
5 everything about what I did in those years. You know,
6 I took him as a consulting. And when I pay so much
7 money to do consulting, I sit with him and ask him.
8 Again, after we consult or we prepare anything in my
9 request, I send everything to the lawyer to make an
10 opinion on it to make sure that it's correct. So more
11 than that, I don't know.

12 Q Okay.

13 MS. FUCHS: Raynette, before I go to the next
14 page of Exhibit 39, do you have any questions?

15 MS. NICOLEAU: Yes.

16 BY MS. NICOLEAU:

17 Q Mr. Oran, who made the decision to profile
18 Mr. Tucker on Profile Solutions' website?

19 A I sit with my website guy and with my -- with
20 Lenny and I sit with -- on the web and I send the
21 request on whatever need to be done change it in
22 between us and we did the decision to put or to
23 describe anything from there.

24 Q Okay. So are you saying you made the
25 decision to profile Mr. Tucker on the website?

1 A Yes. I put -- I authorize to put his
2 information on the website.

3 Q Okay. Why did you profile him on the website
4 as a consultant?

5 A Because he is working with me as my
6 consulting and I want everybody know that he exist,
7 he's there. I don't want to have any surprise. Later
8 on somebody tell me that he working in my company and
9 nobody know about him. He's hiding. He's there. He's
10 on the front. I think everybody need to know that if
11 anybody have any issues, he's there.

12 Q And besides --

13 A It didn't seems like he -- sorry.

14 Q Go ahead.

15 A I think everything needs to be open and we
16 put it on the front so everybody know. All the
17 documents it shows with consulting. I didn't see any
18 problem.

19 Q Okay.

20 MS. NICOLEAU: Trisha, can you scroll down on
21 that document.

22 BY MS. NICOLEAU:

23 Q Okay. So profile Shimon Fhima on the
24 website?

25 A Yeah. Shimon Fhima, yes.

1 Q Okay. An Mr. -- does Mr. Fhima work for
2 Profile Solutions?

3 A Mr. Fhima is the CEO of Elite Hemp Product
4 that's owned by Profile Solutions. The CEO of the
5 company is related, connected because we own Elite Hemp
6 Product. So he's connected to Profile Solution, yes.

7 Q Okay. So he's the CEO of the subsidiary?

8 A He's the CEO of the subsidiary, still the CEO
9 of the subsidiary.

10 Q Okay. Were there any other -- did Profile
11 Solutions have any employees?

12 A The only -- I want to keep it there, very
13 simple. It was only me and the accounting, and the --
14 other thing, I didn't want to spend so much money on
15 employees with no reason because we have -- at that
16 time we have only one entity with three or four
17 employees. I didn't put so much expenses on it to
18 bring more people for no reason. So it was me, Lenny
19 as the consulting, and Anna Berman is accounting,
20 Rebecca is second accounting, they do the accounting;
21 lawyers. And we did -- we trying to do S-1, so we
22 have -- what you call it? To fix our financials to
23 prepare our financials for the S-1, we need to do all
24 the they things, financials statements, so it was
25 enough expenses for me to put everything and I don't

1 need to have more employees with no reason.

2 Q Okay. Was Anna Berman an employee of Profile
3 Solutions?

4 A No. She was consulting account for -- to
5 prepare the S-1 for the company that we did the
6 auditing financial statement.

7 Q Okay. So Anna Berman was a consultant for
8 Profile Solutions?

9 A Yes.

10 Q Okay. And you mentioned someone else's name,
11 a second accountant?

12 A Rebecca Malka. She's an in-house accounting
13 for the company.

14 Q Okay. So she was an employee of Profile
15 Solutions?

16 A She was with other company. She is an inside
17 company, take care of all the companies. Inside
18 accounting. She have all the QuickBooks, all the
19 numbers, all the expenses, all the invoices to prepare
20 everything; she handle it.

21 BY MR. SALLAH:

22 Q Your comptroller?

23 A She is the controller, yeah.

24 BY MS. NICOLEAU:

25 Q Okay.

1 A And we have an accounting outside accounting
2 also.

3 Q Why didn't you have Anna Berman or Rebecca
4 Malka on the websites?

5 A I didn't know that I need to put them on the
6 website. I really didn't know. I didn't put them. I
7 don't know. No reason.

8 Q Okay.

9 A Anna Berman, she's an outsider. She's --
10 provide me an invoice, I don't know if I need to put --
11 I didn't think I need to put her. And Rebecca, she was
12 working for me. I didn't know that I need to put them
13 on the website.

14 Q So what do you mean --

15 A Nobody tell me that.

16 Q So what do you mean Rebecca was an outsider?
17 She was a consultant, correct?

18 A No. No. No. Rebecca is an inside
19 accounting for all my companies. At that time when we
20 put the website, she wasn't. I don't know. Too long
21 story. I don't know if she did work for me or not.
22 But Anna Berman, she's an outside firm that doing --
23 auditing all my documents before they go into the
24 auditor, so she's an outsider. She's not need to be on
25 the web. I don't think she not need to be there. I

1 don't think so.

2 Q Okay. So she was an -- she's an outside
3 accounting firm that you hired?

4 A Yeah. I hired her to audit the books of the
5 companies for me to do the S-1 to get auditing
6 financial statement. So before you can do auditing
7 final statement, you need to spend these money with her
8 to approve it, then it go to the auditor, then when the
9 auditor approve it, then it going back to you guys with
10 signature of the auditors. So this is what they tell
11 me, this is what I did.

12 Q Okay. Did she have -- did Anna Berman have a
13 consulting agreement for Profile Solutions?

14 A I'm assuming it's in the S-1. I'm positive
15 that she have a consulting and it's in the S-1.

16 Q Okay. And just -- can you tell me whether
17 she was retained as your accounting firm or did she
18 provide consulting services for Profile Solutions?

19 A I cannot answer that if you want the question
20 to be detailed. I know for sure that she have an
21 agreement, she have a contract with the company, so I
22 don't know what exactly the question.

23 Q I think may be you were making a distinction,
24 Mr. Oran, about Anna Berman. That she was a -- you
25 considered her an outside -- an outsider of the

1 company; is that correct?

2 A She is auditing my books, not working for me.

3 Working for herself, her company.

4 Q Okay.

5 A This is what I know.

6 Q Okay. But for Mr. Tucker, you said that he
7 was a consultant as well, but you consider him an
8 insider of the company?

9 A I don't -- he working next to me. I don't
10 know what you consider. My considerations with him, he
11 was my consulting, so I don't know what you want to
12 consider him. My consideration, he's in my consulting.
13 He work next to me, he work with me in my office, but
14 he was my consulting.

15 Q Did you consider Mr. Tucker as an integral
16 part of your company?

17 A As what?

18 MR. SALLAH: Did you consider him an
19 important? Can we say important?

20 MS. NICOLEAU: Yes. That fine. Important,
21 yes.

22 BY MR. SALLAH:

23 Q Important part of your company?

24 A I was considering him as very important asset
25 for my company in this time.

1 BY MS. NICOLEAU:

2 Q Okay. And is that the reason why you listed
3 Mr. Tucker on Profile Solutions website?

4 A Yes. I list him because he was working with
5 me as a consulting on a daily basis and I want people
6 to know that he's there.

7 Q And why did you want people to know that he
8 was there?

9 A I already say in the beginning. I got this
10 information that he have a problem and I didn't want to
11 hide it. I want to make sure everybody know he's
12 there. He's doing the job for me. That's why I put
13 him on the page, on the Internet. I don't hide
14 anything.

15 Q Okay. And when Ms. Fuchs asked you about
16 Broadman, you said that you thought a shareholder had
17 hired Broadman?

18 A I don't recall who is Broadman. I'm sorry.
19 I don't know the name, so I don't recall the name right
20 now. If you allow me to find who is the guy, I can
21 return back with an answer. I don't know who is the
22 name. The only one I retain in my memory is Adam Berk.

23 Q Okay. So who were you talking about when you
24 said you thought the shareholder had hired a marketing
25 firm?

1 BY MR. SALLAH:

2 Q Do you remember who you were talking about
3 or --

4 A The guy from New York that came to my office,
5 he wanted to represent us for -- to promote us and I
6 didn't accept him, you know. And I don't know if it's
7 that firm or no. If you know who is behind the firm,
8 if you fell me the name. He came and I didn't like
9 him. I didn't like the guy. I didn't think he's -- he
10 want to pay him a lot of money and he didn't -- he
11 didn't make sense for me, so I send him back and then
12 one of my shareholder before I brought the company hire
13 him to do something for the company without me to agree
14 with it. I didn't agree with it, but they hire him.
15 He do the things without us to approve it.

16 Q What's the name of the shareholder?

17 MR. SALLAH: He's the large shareholder.

18 A He's the shareholder in Beta. Jim Ellis. If
19 I'm not mistaken, I'm putting it correct.

20 BY MS. NICOLEAU:

21 Q Jim Ellis?

22 A Jim Anis or something like that.

23 Q Okay. Do you know how you spell the last
24 name?

25 MR. SALLAH: Do you want him to start looking

1 through his stuff to try to find the name?

2 MS. NICOLEAU: Sure. I mean, if it's not
3 going to take you long.

4 A No. It's one of the biggest shareholder of
5 Beta. I really -- I think it's Jim Anis or Jim Ellis.
6 I don't know. He's on the record there.

7 Q Okay. That's fine.

8 MS. NICOLEAU: Trisha.

9 MS. FUCHS: Are you finish, Raynette?

10 MS. NICOLEAU: I'm finish. Thank you.

11 BY MS. FUCHS:

12 Q Okay. So I have a few follow-up questions.
13 You said that you thought Mr. Tucker was important; is
14 that correct?

15 A That's correct.

16 Q Tell me why you thought he was important?

17 A At that time his opinion on each matter that
18 I have with the public company was making sense because
19 any time he tell me, I check with my lawyers and
20 everything came up, that's the right things to do and I
21 think he's a good asset for me to grow. I cannot do
22 everything by myself. I need somebody next to me. In
23 the future I plan for him to give him a position direct
24 with the company, but I didn't do it yet. I believe
25 that if we go to the S-1 and everything was correct,

1 and the company going in the right direction, I will
2 give him more responsibilities and more thoughts to be
3 part -- sitting as part of the company. This is what I
4 plan, but it didn't work as we plan. God have
5 mysterious ways.

6 Q You said you would give him more
7 responsibility or position. What -- can you --

8 A I would give him position; position. He did
9 a lot. I suppose, in my opinion, it's to be -- make
10 sure that he get a position and stay with the company
11 for long-term. All my people that I work with and they
12 with me with a long-term, I feel very comfortable at
13 that time with him. I didn't see any problem with it.

14 Q What kind of position were you thinking of?

15 A I don't know. I don't know. I don't know.
16 Something. I don't know yet. I don't know what to
17 give him. I don't know what to do. I think about him
18 as a serious asset. I don't think about anything right
19 now because it all not make sense.

20 Q I don't want to put words in your mouth, but
21 I -- you might have said -- or let me ask you this
22 correct, did you rely on him heavily at PSIQ?

23 A I rely on me and myself. I concern anything
24 that he tell me how to behave and everything. I rely
25 on my lawyers. I don't rely on nobody beside my

1 lawyers.

2 Q And why -- why did you put him under senior
3 management for PSIQ and not Anna?

4 A Because Anna was not next to me. She did her
5 job from her house or from her office and I talk to her
6 once every five days or six days, or whatever. He was
7 next to me every day sitting next to my desk. I think
8 that's the right thing to do.

9 Q Did he ask you to put him on the website
10 under senior management?

11 A I think the lawyer -- one of my lawyer tell
12 me to put him there. I don't remember. It's too long
13 and I cannot tell you exactly what happen in that
14 situation, but he's there for a reason.

15 Q And what's that reason?

16 A Not to hide anything. That he's working with
17 me on a daily basis.

18 Q What does that mean, "not to hide anything"?

19 A That guy have a record and I don't want
20 somebody to come to me and say you hide him in the
21 company and you didn't exclose [sic] that he's working
22 with you, exactly what you guys doing now. He's there.
23 He's every day there, you need to show. He need to be
24 that he's working with me on a daily basis. My
25 reasonable commonsense to put him on there.

1 Q Okay. So you said you put him on there
2 'cause you didn't want to hide anything about his
3 record; is that correct?

4 A About his record, about he's working with me,
5 about anybody coming next day to say, oh, you hide him
6 behind the corner; he have record; he did that in the
7 past and 30 years ago. I didn't want to hide it.

8 Q But if you didn't want to hide anything about
9 his record, why didn't you mention his record in this
10 description of him?

11 A Again, I ask all the -- I'm not the lawyer,
12 guys. You trust me and ask me question like I'm -- I'm
13 not the law. I ask my lawyer, they say, don't need
14 after ten years to consult with anybody anything about
15 him. It's illegal to do that or whatever they tell me
16 at that time. I don't -- I don't hide him. He's
17 there. You can Google his name and you know who he is.
18 I didn't hide anything and I didn't mean to hide
19 anything if that's what it sounds like.

20 Q No. I just don't understand. Just trying to
21 understand when you said you didn't want to hide
22 anything 'cause he had a record, but I don't see
23 anything in here that would give any notice to anyone
24 looking at him about his record. So I was trying to
25 understand then, if you're putting him in here -- if

1 you're putting him in here -- sorry -- not to hide
2 anything, what -- I don't understand how that -- I'm
3 trying to understand from you how that is accomplished
4 when there's nothing about his background.

5 A I ask my lawyers if I need to put his things
6 and they say no. I asked them again and they say no.
7 It's 30 years ago; you don't need to put it. After he
8 show the letter I a hundred percent thinking that I do
9 the right things. If I know that there is any issue
10 with him to disclose it, I will disclose it right away.
11 I'm not going to hide him. I'm not hiding anybody;
12 anybody. I don't hide myself to anything I did.
13 Anything I would do in the future I always say up
14 front, I did A, B, C, that was the result. This is who
15 I am.

16 MR. SALLAH: You are getting worked up. I
17 want you to relax a little bit.

18 A It's not fair, you know. It's the same
19 thing, question and question about the same thing that
20 I always it.

21 BY MS. FUCHS:

22 Q We're just trying to understand.

23 BY MR. SALLAH:

24 Q They're trying to understand why Lenny is
25 disclosed on there, but not his criminal background and

1 I think your answer that, you didn't believe you need
2 to because it was longer than 10 years.

3 A That's what the lawyer tell me. This is what
4 my lawyer tell me, not to do it. Not to put it in.
5 You don't need it. It's not necessary. What I going
6 to do? I'm not the lawyer. I didn't hide him. If I
7 want to hide him, he would not there. He was behind
8 the scene.

9 BY MS. FUCHS:

10 Q Did you have any understanding that
11 Mr. Tucker had to be called a consultant because of his
12 disciplinary past?

13 A I swear that I didn't understand that this
14 way. If I know that this way, I never agree with it.
15 I ask my lawyers and they tell me it's okay. I don't
16 agree to hide anybody without anybody. And anybody
17 coming with a questions like my partner Benny came to
18 me and ask me about it, I confront it. I don't hide
19 it. I don't see any reason to hide it.

20 Q I was just trying to understand. Was there
21 ever a discussion with anyone along the lines of
22 Mr. Tucker needs to have a title of consultant rather
23 than a different title because of his disciplinary
24 past?

25 A Not with me, not that I know and not to hide

1 him. I didn't do that to hide anybody. I'm saying
2 again and again, I don't hide him. I put him on the
3 front line, he's there. He sign. He is in the SEC
4 record. He is on document.

5 BY MR. SALLAH:

6 Q They're asking about title. Was there a
7 reason?

8 A No. I'm saying no. No.

9 BY MR. SALLAH:

10 Q What else would you have called him?

11 A If I go to the S-1 and if I go to everything
12 that he promise that it going to happen. You know,
13 like he work with me and then he say, Dan, you need to
14 do A, B, C. I trust his judgment to do all these
15 things to be fully reported company. And I did
16 everything that he request. I spend hundreds of
17 thousands of dollar. You know, I trust his judgment
18 and if I go through everything and it succeed and we
19 going to be a good company, I don't know. I find a
20 position with him on the company, but I didn't see it
21 happening, you know. I lose all my money, all my
22 family money, all my friend money.

23 MS. FUCHS: Raynette, do you have anything --
24 any other questions on Exhibit 39?

25 MS. NICOLEAU: Yes.

1 BY MS. NICOLEAU:

2 Q Mr. Oran, what senior management
3 responsibilities did Mr. Tucker have?

4 A He need to work with all my request for
5 lawyers and for accounting, and for shareholders; when
6 I'm overseas to send me the documents, me to send the
7 documents to the shareholders; to help me out to create
8 the -- each time that we do press release, to go over
9 the press release. I hire a company to write the press
10 release, to go over that with them and me, to go to
11 send it to the lawyer to get approved. Everything must
12 to be -- he was helping me with everything.

13 Q So the functions that you just listed, you
14 considered those senior management responsibilities?

15 A Yes.

16 Q Okay.

17 MS. NICOLEAU: All right, Trish, that's it.

18 BY MS. FUCHS:

19 Q Did he help negotiate any contracts or
20 business deals?

21 A He did been with me in few of the deals that
22 I create. He was putting his opinion on those deals,
23 yes, but he didn't have a decision as to make the deals
24 or not make the deals.

25 Q Did you listen to his opinions?

1 A I did listen to his opinion, yes.

2 Q What was your -- what did you think of what
3 he said?

4 A You know, you asking two and a half years of
5 business to answer you in a question. Sometimes it was
6 saying smart things. Sometimes I didn't accept them.
7 Sometimes I consider it. I didn't -- you know, I don't
8 think he will be able to change my opinion on the deals
9 because he say something. I very focus. I know what I
10 want. I know what deals I want to happen for myself.

11 So he was there.

12 MS. FUCHS: Raynette, anything before I leave
13 Exhibit 39?

14 MS. NICOLEAU: No.

15 (SEC Exhibit No. 38 was marked
16 for identification.)

17 BY MS. FUCHS:

18 Q I'm now showing you what was previously
19 marked as Exhibit No. 38 and that document is a web
20 screen capture from Elite, which I believe before you
21 mentioned was a subsidiary of PSIQ; is that correct?

22 A That's correct.

23 Q Okay. Do you recognize this document,
24 Exhibit No. 38?

25 A Yes, I recognize the document. It's from the

1 website.

2 Q Okay. And who created the content for this
3 web capture?

4 A The website -- our website -- the website
5 manager with my CEO from Elite.

6 Q Okay. And did you review and approve the
7 content?

8 A I did go over the content at that time, yes.

9 Q Okay. I'm scrolling down.

10 MS. FUCHS: Raynette, do you have any
11 questions regarding -- I'm scrolling down to
12 Ms. Kirk, do you have anything before I get to
13 that?

14 MS. NICOLEAU: No.

15 MS. FUCHS: Okay.

16

17 BY MS. FUCHS:

18 Q Is she -- it says Nataliya Kirk, is that HR
19 director for Ms. Kirk?

20 A She been in the company in the beginning of
21 the company. She no longer working with us. She was
22 helping us to create the company, you know, to be
23 there, but I don't think she's -- she's not longer
24 doing anything in that company.

25 Q Okay. Was she at some point HR director for

1 Elite Hemp Products?

2 A She did, yes.

3 Q Okay.

4 A She did in the beginning. When we create the
5 company she was there.

6 Q For Elite, Elite Hemp Products; is that
7 correct?

8 A For Elite Hemp Products, yes.

9 Q Did she receive any compensation for that?

10 A I think I never pay her.

11 Q Do you know if she received any type of
12 compensation?

13 A I don't think. I'm telling you I think we
14 never pay her. She did it as a volunteer to help.

15 Q Okay.

16

17 BY MR. SALLAH:

18 Q What about 401K contribution?

19 A Nothing. Nothing. She did it as -- to help
20 us grow in the beginning, but she's not longer there.
21 She's a Realtor.

22 BY MS. FUCHS:

23 Q Okay. And then under her it has Leonard
24 Tucker and it says corporate governance. Why was
25 Mr. Tucker listed as corporate governance for Elite?

1 A Honest, the truth, I don't know.

2 Q What does corporate governance mean here?

3 A I don't know. I never see it. I'm sorry.

4 Q But you approved the content; is that
5 correct?

6 A At that minute I probably, yes, but I don't
7 know. I really don't know. I cannot go back to the
8 minute.

9 BY MR. SALLAH:

10 Q Does this refresh your recollection or no?

11 A No, it doesn't refresh me. I don't know what
12 the corporate governor. You know, why --

13 Q What does it say underneath it?

14 A I don't know. I cannot see it.

15 Q Providing high-level support and advice to --

16 A Maybe because he was in PSIQ and Elite is in
17 the bottom a subsidiary. We put him there. I don't
18 understand what's the reason we put it there. Honest,
19 I don't know.

20 BY MS. FUCHS:

21 Q Well, I'll read it to you.

22 A I cannot go back two years.

23 Q Okay. It says -- under his name under
24 corporate governance it says, "Providing high-level
25 support and advice to the Elite leadership, requires

1 the knowledge of the regulatory requirements pertaining
2 to the complex world of the hemp industry. We
3 essentially have to balance" -- wait -- "We essentially
4 have to balance the interest of our company,
5 shareholders, management, customers, suppliers,
6 financiers, government and the community."

7 A In my opinion, it's because he was doing --
8 helping us in PSIQ. He help us in Elite and he
9 research and do all things for Elite for trademark or
10 whatever we try to do there, he help out, but he help
11 out as the PSI and we put him on the front of it. I
12 don't remember exactly why. I'm not going to lie.

13 Q Did he have a separate title with Elite?

14 A No. He was part of PSIQ. He didn't have a
15 separate title in Elite. I don't think so.

16 Q Is that correct that he provided high-level
17 support and advice to Elite leadership, I guess,
18 pertaining to the knowledge of regulatory requirements?

19 A That's what --

20 Q Pertaining --

21 A That -- sorry. Sorry.

22 Q I'm sorry. I think I cut you off by
23 accident.

24 A I say that he was sitting with me in all the
25 meetings with Elite with the CEO and the staff, and

1 help, and research, and did things that I need to do in
2 Elite to make sure everything is going to be on the
3 legal way; consult with the lawyers about different
4 requirement in Elite, but he never get paid from Elite
5 or have any -- like this I call it like a queen. He
6 have nothing to do, only to help out. He not get
7 salary, just to help out the company to grow.

8 MS. FUCHS: Raynette, do you have any
9 questions?

10 MS. NICOLEAU: No. Thank you.

11 BY MS. FUCHS:

12 Q Do you want -- you want to take your -- did
13 you --

14 A No. No. No. What's the time now?

15 BY MR. SALLAH:

16 Q It's 12:17.

17 A No. I have time until 2:00. It's okay.

18 Let's keep going.

19 Q We're going to want to take a break at some
20 point.

21 A Whatever you guys want. I don't --

22 MR. SALLAH: Trish, can I suggest this? We
23 take a five-minute break so we can order lunch
24 like in and then take a lunch break from, like,
25 1:30 to -- from 1:00 to 1:30, if that's okay with

1 you guys and the court reporter?

2 MS. FUCHS: Let me check with the court
3 reporter.

4 THE COURT REPORTER: That's fine with me.

5 Thank you.

6 MS. FUCHS: Raynette?

7 MS. NICOLEAU: Me too, Trisha.

8 MS. FUCHS: Okay. So we'll take a short
9 break now and then we'll come back, and like he
10 said, we'll take a lunch break later on. Okay.

11 Thank you.

12 (Whereupon, a brief recess was taken, after
13 which, the following was taken.)

14 MS. FUCHS: We're back on the record after
15 the short break. During that time there were no
16 substantive conversation; is that correct,
17 Mr. Oran?

18 A Yes.

19 (SEC Exhibit No. 20 was marked
20 for identification.)

21 BY MS. FUCHS:

22 Q We're showing you what has been marked as
23 Exhibit No. 20, the form S-1.

24 MR. SALLAH: Trish, just so you know, you
25 have it up, but I a -- I also have it printed out

in hard copy, the S-1. Not the amended; the S-1
October 19, 2018.

3 MS. NICOLEAU: Okay. Jim, that's great.

4 Something happened with Trisha, so just give us a
5 moment.

6 MS. FUCHS: Could you not hear me for a
7 while?

8 MR. SALLAH: Yeah. We couldn't hear.

9 Raynette couldn't either. She thought you were
10 off the grid.

11 MS. FUCHS: Yeah. Raynette just called me.

12 But can everyone hear me now?

13 MR. SALLAH: Yes. Your screen is frozen, but
14 we can hear you.

15 MS. FUCHS: Okay. I guess we'll just
16 continue then. Jim, I actually thought that the
17 silence was 'cause you were looking to locate, you
18 know, your documents, you needed a few minutes.

19 MR. SALLAH: No. No. We were fine. He's
20 got a hard copy S-1, we got the exhibits all
21 online if we need to access them, so whatever you
22 need.

23 MS. FUCHS: Hello.

24 MR. SALLAH: Trish?

25 MS. FUCHS: Okay. I can't hear you.

1 MR. SALLAH: Trish. You can't hear us?

2 Madam court reporter, can you hear Trish?

3 MS. FUCHS: I just got a pop up. If you can
4 hear me, I just got a pop up that there's trouble
5 connecting me to my network.

6 MR. SALLAH: We can hear you, Trish.

7 THE COURT REPORTER: Trish, you're going in
8 and out.

9 MS. NICOLEAU: Maybe it'd better for her to
10 dial in.

11 (Technical difficulties)

12 MS. FUCHS: So Raynette, pull Exhibit 20.

13 MS. NICOLEAU: Yes. Just give me a second.

14 MS. FUCHS: Okay. And that would be form S-1
15 filed with the Commission on October 19, 2018.

16 MR. SALLAH: Yes, we see that.

17 MS. FUCHS: Okay.

18 MR. SALLAH: It not appear -- Just so you
19 know, it does not appear on the screen, but we
20 happen to have a hard copy of it thankfully.

21 MS. FUCHS: Okay. Great. Raynette, is it
22 okay if I ask a few questions?

23 MS. NICOLEAU: Yes, go ahead.

24 MR. SALLAH: Of course.

25 MS. FUCHS: Okay.

1 BY MS. FUCHS:

2 Q Can you tell us -- first of all, if you can
3 give us some background on what PSIQ does?

4 A PSIQ is a public trading company that -- and
5 associate with Elite Hemp Product. Elite Hemp Product
6 is company that's owned by PSIQ, that we manufacturing
7 a brand name by name Elite. Everything is from hemp.
8 We manufacturing cosmetics, eatables and smokeable
9 product from hemp flower.

10 Q And what are PSIQ subsidiary company?

11 A PSIQ currently have three subsidiaries. One
12 of them is Elite; the second one is Canaberry Tech in
13 Israel; this third one is Stem in Africa. That's the
14 three company. The three owned hundred percent in this
15 moment.

16 Q Okay. Can you repeat that? What were you
17 saying about Stem in Africa? What's the name of the
18 company?

19 A Stem. I don't -- it's Stem something. I
20 think it's Stem, Inc. it's a subsidiary of PSIQ that
21 supposed to grow cannabis in Africa.

22 Q And so those are the only subsidiaries; is
23 that correct?

24 A Right now that's the only subsidiary of PSIQ.

25 Q Okay. Was it -- was the name Stempro

1 International; is that it?

2 A That's it, Stempro International. That's
3 correct.

4 Q Okay. And is Stempro International a wholly
5 owned subsidiary of PSIQ?

6 A Stempro International belongs to PSIQ 51
7 percent and to Stem Holding USA, 49 percent. We do
8 joint ventures for the deal in Africa and we are a
9 partner there.

10 Q Okay. And where in Africa?

11 A In Eswatini. It's what's well-known as
12 Swaziland in Africa.

13 BY MR. SALLAH:

14 Q Have you been there?

15 A I've been there a few times, yeah.

16 BY MS. FUCHS:

17 Q And how did you become involved with PSIQ?

18 A I became involved -- I invest money in Elite
19 Hemp Product in the beginning and when Lenny start to
20 work for me for Blackpoll, we think about to get the
21 company Elite public. When he start to advice me, he
22 bring me an offer to buy PSIQ and to put Elite as the
23 first subsidiary to raise money for the company so we
24 can grow up worldwide and that's what I did.

25 Q Okay. So you first invested with Elite and

1 how did -- when was that?

2 A I don't know. When we open Elite. I don't
3 know. I cannot recall. Maybe 2014, '15. I don't
4 know.

5 BY MR. SALLAH:

6 Q You can look at the record.

7 A The record is here, I just need to look for
8 them. They have all the records. I send them all the
9 records. They should have it.

10 Q Okay.

11 A I invest money in Elite and then after a year
12 from opening Elite, we decide -- I decide to take it
13 public to raise more money so we can grow.

14 BY MS. FUCHS:

15 Q Okay. How did you come to invest with Elite?

16 A I have two nice, handsome guys came to my
17 office and they want to open Elite, and I came to
18 invest the money for them. One of them is Shimon
19 Fhima, the CEO of Elite, and another guy that is left
20 to -- he moved back to Israel I think in 2017.

21 Q What was his name?

22 A Guidon something. I don't know. Guidon last
23 name? I don't know his last name.

24 Q So you said that you came to invest in Elite
25 because Shimon and Guidon came to your offices and told

1 you about Elite; is that correct?

2 A And told me about they want to open a hemp
3 company; that's with the trend now. Everybody invest
4 in this. They convince that I can invest with them.

5 Q Did you know them before?

6 A I know Shimon for the last 30 years and
7 Guidon for the last 30 years, yes. I know them from
8 my -- all the friendship with them.

9 Q Okay. So you were friends with them prior?

10 A Yes.

11 Q Are any of them relative of yours?

12 A They not my relative. They are friend for 30
13 years, mutual friends. We do -- we never -- actually,
14 with Shimon I did business in the past. With Guidon I
15 never did any business.

16 Q What kind of business you and Shimon?

17 A I used to have retail stores and he was -- he
18 was manage one of the retail stores and then he bought
19 it from me.

20 Q Okay. So you came to invest with Elite and
21 then what was Lenny Tucker's involvement?

22 A He was not involved, I telling you. I invest
23 with Elite right before Lenny Tucker came to be in
24 contact with me. After I think a year or something
25 like that when I have Elite, I think it's a good idea

1 to take it public because at that time all the CBD
2 companies go public and I think it's an opportunity to
3 grow the money, and raise money for it, and be public
4 trading in the American market.

5 Q Was it your idea to go public or was it
6 someone else who suggested that to you?

7 A The truth, it was my dream to have -- to run
8 public trading company in the US. I think it's an
9 opportunity to be successful. I was thinking it was
10 opportunity. I don't think no more and I did it
11 because of my opinion on the market -- American market.

12 Q Okay. And so you wanted you said to -- you
13 did say you wanted to take Elite public; is that
14 correct?

15 A That's correct. Elite was private holding
16 company. I was own I think over 90 percent of the
17 company because of my investment and I think it was
18 good opportunity to take it public.

19 Q And how much did you invest with Elite?

20 A If I not mistake, the first round I invest
21 like hundred and something thousand dollars, the first
22 round when I just came into the company.

23 BY MR. SALLAH:

24 Q Altogether.

25 A Altogether right now, it's probably about

1 400, 500,000, maybe more. I don't even have numbers.

2 The accounting have the numbers.

3 Q Okay. And did Elite become a public company?

4 A Elite joint venture with PSIQ. PSIQ bought
5 the assets of Elite when I took over PSIQ Profit
6 Solution and we brought the asset from Elite, and I
7 left my investment there to grow with the company.

8 Q Okay. When you say "the company", what
9 company are you referring to?

10 A Elite.

11 Q Okay. So Exhibit 20, the original S-1 that
12 was filed with the Commission October 19th, 2018, who
13 drafted that?

14 A The lawyer. Anything on the S-1 is the
15 lawyer draft, Jackson Morris.

16 Q Okay. And who provided Mr. Morris with the
17 information that was contained in Exhibit 20, the PSIQ
18 form S-1?

19 A I authorize Lenny to provide the Jackson
20 Morris all the documents requiring like the lawyers to
21 prepare the S-1s. So everything we have in our
22 position, we follow to the lawyer. The lawyer work on
23 the S-1, prepare the S-1, send it back to me to review,
24 I reviewed it, as much as my memory give me that I
25 reviewed it, and I signed for it, and we send it back

1 and apply.

2 Q Okay. Did Mr. Tucker prepare any of the text
3 that was contained in the S-1, which was marked as
4 Exhibit 20?

5 A I have no knowledge to tell you if it's
6 prepared, but I believe he helped the lawyers to
7 prepare all the documents to make sure that nothing is
8 wrong and everything is correct.

9 Q Did anyone else participate in providing the
10 information that was contained --

11 A I believe Anna Berman; I believe the auditor;
12 I believe my staff in the office. Everybody did their
13 part and put it together and send to the lawyer.

14 Q Okay. And I believe you said that you
15 reviewed it; is that correct?

16 A I did review it to make sure that everything
17 they put down is correct.

18 Q And you approved it; is that correct?

19 A I approved it, that's correct.

20 Q And who was -- who was responsible for the
21 content of Exhibit 20?

22 A My lawyer. The lawyer name is Jackson L.
23 Morris.

24 Q And who else from PSIQ was responsible for
25 the content?

1 A I told you it was me, it was Lenny Tucker, it
2 was my Anna Berman, it was -- at that time I think
3 Robbie Hicks, one of my personal assistant. Anybody
4 need to -- I don't -- I cannot -- I don't know exactly
5 who, but everybody who worked on it to get the right
6 paperwork and documents.

7 Q Okay.

8 MS. FUCHS: Raynette, do you have any
9 questions on Exhibit 20 before I get to exhibit
10 21?

11 MS. NICOLEAU: No.

12 MS. FUCHS: Okay.

13 (SEC Exhibit No. 21 was marked
14 for identification.)

15 BY MS. FUCHS:

16 Q So the profile form S-1 amendment No. 1 has
17 been marked as Exhibit No. 21 and that was the form S-1
18 amendment No. 1 filed with the Commission on March 5th,
19 2019.

20 Do you have that in front of you?

21 MR. SALLAH: Yes. We have it in front of us.

22 BY MS. FUCHS:

23 Q Okay. Just asking a similar -- a few similar
24 questions as to the original S-1 which was marked as
25 Exhibit 20. If you can tell me who provided the

1 information that was contained in this document?

2 A Jackson Morris. He -- lawyer. My lawyer.

3 Q Okay. And as to the individuals who provided
4 the content that's contained in Exhibit 21, is that the
5 same individuals who you just mentioned for Exhibit
6 No. 20?

7 A I know that they ask us for some write down
8 the S-1 for some reason. The lawyer work with the same
9 crew to get it down and we filed it again.

10 Q Okay. Was it the same individuals; you,
11 Mr. Tucker?

12 A I'm assuming. I cannot go back to the time.
13 Yes. I'm assuming it's the same because it's couple
14 months different between this and this. It's the same
15 people been involved, yes.

16 Q Okay. So I just have to finish the question
17 just -- I know you were anticipating my question, but I
18 just have -- just so the record is clear, I just have
19 to finish the question. I appreciate it. I know you
20 anticipated the question, but I just have to finish it
21 so the record is clear.

22 And why was an amended S-1 filed for PSIQ?

23 A Excuse me?

24 BY MR. SALLAH:

25 Q Why was an amended S-1 filed for PSIQ?

1 A Because that's the --

2 Q SEC?

3 A The SEC request to amend it. They ask for
4 answers and questions, and ask to amend it, so we amend
5 it.

6 Q So is it correct that it was -- PSIQ filed it
7 to respond to certain questions or comments by the SEC;
8 is that correct?

9 A That's correct, yes.

10 Q Okay. All right. So if you -- Mr. Oran and
11 Jim, if you see on the bottom it has 64 pages, if you
12 could go to page --

13 MR. SALLAH: Yeah.

14 BY MS. FUCHS:

15 Q -- 7 of 64.

16 MR. SALLAH: Of course. Okay. We're there.

17 MS. FUCHS: Okay. Great.

18 BY MS. FUCHS:

19 Q So it says -- under prospectus summary with
20 the second paragraph where it starts -- beginning the
21 word start, "We manufacture, market, distribute and
22 sell food products sometimes refer to edibles and
23 topical preparation." Can you tell us what you mean
24 that word manufacture? What does that -- can you
25 elaborate on what that mean in this context?

1 A Manufacturing the brand name of Elite. It
2 mean that anything with the name Elite Hemp Product is
3 our product. We manufacturing that product in
4 different facilities. So -- and some of them in
5 California; some of them in Oregon; some of them in
6 Colorado. We manufacturing the only things by name
7 Elite. We not manufacturing any other product, that's
8 what it mean.

9 Q Okay. 'Cause I want to just get like a full
10 understanding what that means. Like what -- did Elite
11 have -- or does Elite have its own plant or does it
12 outsource?

13 A We not planning to -- we don't have own plant
14 to manufacture. We outsourcing all Elite product with
15 other manufacturing with GMP and all the regulation
16 they need for those product to be manufacturing.

17 Q Okay. And who does Elite outsource to?

18 A Excuse me?

19 BY MR. SALLAH:

20 Q Who does Elite outsource to?

21 A There's a list of companies that you have and
22 I cannot recall because I not working with the daily
23 manufacturing of the product. It's the CEO Shimon
24 manufacturing. So it's the list I provide to you with
25 all the companies we do business with.

1 BY MS. FUCHS:

2 Q Okay. So you're saying that you provided a
3 list of the companies; is that correct?

4 A That's correct. That was one of the question
5 and we retrieve all the documents from the
6 manufacturing and we send it to you guys.

7 BY MR. SALLAH:

8 Q So who deal -- Shimon deals with them
9 typically?

10 A I don't deal with manufacturing. I only help
11 him in sales. I don't get involved in manufacturing.
12 Only if it's a big deal that I need to get involve, if
13 no, he doing all the work.

14 BY MS. FUCHS:

15 Q Okay. So I'm just saying, you don't know
16 offhand any of the names; is that correct?

17 A I don't know offhand of any company, but we
18 have a list of company they provide to you.

19 Q Okay.

20 MS. FUCHS: Raynette, do you have any other
21 questions before I move to a different page?

22 MS. NICOLEAU: No.

23 MS. FUCHS: Okay.

24 BY MS. FUCHS:

25 Q If you could move to page 10 of 64.

1 MR. SALLAH: Okay. We're there, Trish.

2 MS. FUCHS: Perfect. Okay.

3 BY MS. FUCHS:

4 Q Do you see the paragraph that's right under

5 the heading that says, "Our independent registered

6 public accounting firm's audit report excludes an

7 explanatory paragraph"? Do you see that, Mr. Oran?

8 The sentence that begins with --

9 A Let's look for it.

10 MR. SALLAH: Where at, Trish? Can you point

11 to with it, like, the cursor or something?

12 MS. FUCHS: I can't 'cause I'm not -- the

13 sentence begins with, "We" --

14 MR. SALLAH: You got it. Yes, that's it.

15 Okay. You pointing to it. That's helpful. Right

16 there.

17 MS. FUCHS: Yes.

18 BY MS. FUCHS:

19 Q So where it says, "We have suffered recurring

20 loses from operations and having accumulated deficit of

21 \$404,272 at September 30th, 2018," can you elaborate on

22 that what that deficit consist of?

23 A Again, you need to ask my accounting. I

24 cannot elaborate on it. I not remember.

25 Q Okay.

1 A You need to ask -- this is accounting
2 question, I'm not doing accounting. I'm only
3 provide -- accounting provide that from a reason. I
4 don't know why and how, and I don't recall. It's not
5 that I don't know. It's my recall. I can answer. I
6 cannot answer that far.

7 BY MR. SALLAH:

8 Q Could you recall the company was suffering
9 loss?

10 A Yeah. If it's here, it's correct. You know,
11 it's auditing. It's been audit financial statement, so
12 it's been audit. It's nothing there that's not audit.

13 Q Do you know how PSIQ was funding the deficit?

14 A My own money. I dump money and bring more
15 money from my family and more money from my friends.

16 Q Okay. So it was you personally with family
17 members and friends; is that correct?

18 A Yes. I put money and dump more money, and
19 more money until the company succeed to today. We have
20 a good company.

21 Q Okay. And was that through loans?

22 A Everything through loan. Everything that I
23 loan the company, it's a promissory note from me to the
24 company. Everything is set up and by the booking --
25 bookkeeping.

1 Q Sorry. I'm just looking for --

2 A This is part of the loan. This is not
3 everything. Many more.

4 Q If you can go to page 12 of 64 there's a
5 paragraph that begins, "We derive 58 of our revenues in
6 2017 and 37 percent of our revenues in 2018 from two
7 customers," do you see that?

8 A Yes.

9 Q Who were those two customers?

10 A You are asking me a question so detail I
11 cannot get, but the customers are -- they are on the
12 company. I need to go to the company books and find
13 out. I don't remember. But I think one of the guys is
14 from the Internet. They selling over Amazon and eBay.
15 The second customer may be an exporter. They take the
16 goods from Florida overseas. I don't -- I cannot tell
17 you.

18 MR. SALLAH: We can find that.

19 A We can find everything that's in the record
20 because it's on record.

21 BY MS. FUCHS:

22 Q Okay. But you don't know --

23 A And is on the financial statement. I
24 cannot -- I'm not -- I'm not Elite CEO. Elite CEO can
25 answer those questions better than me, but anything on

1 those terms been write down. They been go over the
2 accounting, auditing financial through the lawyers.
3 Everything is -- that I write down that is correct to a
4 hundred percent?

5 BY MR. SALLAH:

6 Q So this is an easy one if we needed to find
7 it?

8 A Yes. It's on the financial statement. I can
9 call Anna Berman and she answer it. I don't know. I
10 cannot remember two years ago who it was.

11 BY MS. FUCHS:

12 Q Without remember specifically who they were,
13 do remember having any contact with them?

14 A Probably I did, but I'm not -- again,
15 probably I did. I'm not the CEO of Elite. The CEO of
16 Elite working with them on a daily basis. If any
17 issues I getting involved. I don't get involve if I
18 don't have issues.

19 BY MR. SALLAH:

20 Q It was a simple yes-or-no question.

21 A No.

22 Q Do you remember getting any contact --

23 A Maybe. I don't remember.

24 Q Okay. So you don't remember?

25 A I don't remember.

1 Q It's possible?

2 A Yeah. It's possible, of course.

3 Q But you would know if it was like a relative
4 or a friend of yours; is that right?

5 BY MR. SALLAH:

6 Q Customers or friend, or your relatives?

7 A Definitely it's not relative and not friend
8 of mine.

9 Q Okay. Okay. All right.

10 MS. FUCHS: Raynette, do you have any -- do
11 you have any other questions before I move on from
12 this?

13 MS. NICOLEAU: No.

14 MR. SALLAH: By the way guys, I want to
15 reiterate. If there's any information you need to
16 fallow up on with Shimon or anybody like that, we
17 can get you this information. He'll know it.

18 MS. FUCHS: Thank you.

19 BY MS. FUCHS:

20 Q If you could move down to page 14 of 64.
21 Management --

22 MR. SALLAH: For sure. Where there.

23 MS. FUCHS: Okay. Management discussion and
24 analysis.

25 MR. SALLAH: Yes. We're there.

1 BY MS. FUCHS:

2 Q Who was responsible for including this
3 section? Who put together this part of the --

4 A Anna Berman. Anna Berman.

5 Q Okay. Do you know any details about the
6 revenues and cost of revenues?

7 A I know that anything we did in Elite go
8 through three different people to find out that they
9 correct, that the profits of the goods and the cost of
10 the goods been putting together in the correct way. So
11 it was by Elite accounting -- in Elite accounting going
12 to Rebecca, my accounting in my office, going to Anna
13 Berman and going to whatever did the auditing. I don't
14 know who did the auditing. I think is Jackson Bolton
15 did the auditing on this company. So everything we
16 write down go to four different checkout to make sure
17 all the numbers are correct.

18 Q Okay. And were you see it says significant
19 customers where it says for the year ended December
20 31st, 2017 and December 31st 2016, and the aggregate
21 two customers or four customers, respectively,
22 accounted for 58 percent and 72 percent for our total
23 revenues for each respective period. I do want to be
24 aware of who those customer are?

25 A Again I repeating. I don't know who the

120

1 customer. I'm assuming it's few customers that did
2 business. Everything is paid by checks or wire
3 transfer and it is in the record of company. I don't
4 know the name of it.

5 Q Okay. And do you -- do you have any
6 understanding -- for cost of revenues, do you have any
7 understanding as to the decrease in 2017 from 2016? Do
8 you have any understanding?

9 A I don't. You need to ask my accounting and
10 the firm that auditing my books. That question is for
11 them.

12 Q Okay.

13 A I just provide the invoices, cost of goods
14 and they do all the rest.

15 Q Okay. And similar question. Under that
16 which is general administrative expenses, do you have
17 any understanding as to the increase from 2016 to 2017?
18 Do you know what was attributable to?

19 A It's probably salaries and cost of goods. I
20 don't know. You need to ask accounting. I'm not in
21 accounting.

22 Q Okay. Okay.

23 MS. FUCHS: Raynette, do you have anything
24 further before I move on?

25 MS. NICOLEAU: No.

1 BY MS. FUCHS:

2 Q I don't know if you're going to -- if you
3 could go down page 16 of 64.

4 MR. SALLAH: Yeah. We're there.

5 BY MS. FUCHS:

6 Q Okay. I don't if -- it's a similar question,
7 but I don't know if you'll know. But do you see where
8 it says 2018 for the nine month ended September 30th?

9 MR. SALLAH: Yes, we see it.

10 BY MS. FUCHS:

11 Q In 2017 it was 74,739. In 2018, 636,717.
12 That's the percent of change. It says it's 752
13 percent. Do you have any understanding as to what
14 caused the revenues to grow so much?

15 A Yeah. I spend so much money to go to all the
16 shows in the United States. All the shows I go in each
17 one of them, spend hundreds of thousands of dollars on
18 fares and my business increase. I don't see that as a
19 problem of the business.

20

21 BY MR. SALLAH:

22 Q She's not asking if it's a problem. She's
23 saying, do you recall.

24 A Of course I recall. We spend so much money
25 at the time in booking, go -- fly all over the country;

1 fly all over to get business.

2 Q To conferences?

3 A Conferences, shows. Everything is in --

4 Q All the CBD shows?

5 A Yeah. All the CBD shows. Everything is
6 pictures and being done.

7 Q Were a hundred percent of the revenues
8 derived from Elite products?

9 A A hundred percent of the revenue came from
10 Elite products, yes.

11 Q Okay. And who was responsible for helping to
12 grow the revenues? I know you just mentioned about
13 going to these different places and traveling, who else
14 besides yourself?

15 A We have -- I don't work -- again, I'm
16 repeating. I'm not work in Elite and I don't got to
17 the show, and I don't do the work of Elite. Is a CEO
18 there by the name of Shimon Fhima. He have a crew
19 working for him in the office with him to sell, to go
20 to the shows, to advertise the company, to
21 manufacturing the goods. Everybody working in the
22 company and we getting better and better every year.

23 Q Okay. I misunderstood. I thought you said
24 we like saying you. So it was Shimon; is that right?

25 A Shimon is the CEO of Elite. I'm not -- I'm

1 only represent for Elite. I working now in Elite and
2 bring customers, and grow the revenue of Elite because
3 in PSIQ, I don't have nothing to do in this minute. So
4 I'm spending my time and bring more customer, and
5 develop more market for Elite so we can go to this year
6 to do better from last year.

7 Q Okay. Was Mr. Tucker involved in helping --
8 in creating these revenues -- growing these revenues?

9 A Mr. Tucker is no longer with the company, so
10 he's not involved. When he work with me, he did help
11 with represent -- for example, Chichi Chong, he
12 represent me to those companies, I close deal with them
13 and he try to big people to buy from the company, but
14 that's all his involvement. Was not doing the sales of
15 anything there.

16 Q Okay. And --

17 BY MR. SALLAH:

18 Q He introduce you to Chichi Chong?

19 A Yeah.

20 BY MS. FUCHS:

21 Q I don't know if -- you might know this. It
22 talks significant customers. Where it says, during the
23 months ended September 30, 2018 and '17, Elite had one
24 customer that approximated 37.32 percent of sales and

1 one customer that approximated 31 percent of sales,
2 respectively.

3 Once again, do you have any idea of who these
4 customers are?

5 A I'm assuming he's the guy from the Internet
6 selling on Amazon and eBay. One of the guy that he did
7 very well with us until 2020 and in 2020 he's not
8 longer doing any business with us, but our revenue are
9 the same or even better from 2019. So I don't recall
10 exactly which customers because I don't follow
11 customers.

12 Q Okay. So you don't recall the name; is that
13 correct?

14 A No.

15 Q And where does Elite products have its
16 financial account? What banks?

17 A I think now we in PNC Bank.

18 Q Okay. Any others?

19 A I don't think so. I think we are in PNC.
20 Maybe in TD Bank. You know, I don't remember, but I
21 can -- this is -- you have already all those documents
22 also. All my bank accounts, all my companies bank
23 account, you have it.

24 BY MR. SALLAH:

25 Q Elite as well?

1 A Elite as well. Everybody of my company she
2 got. She got everything.

3 Q Besides these two customers that are
4 referenced, do you know what's the remaining source of
5 the revenues, where they come from?

6 A Internet, Amazon, eBay Zulily, Groupon. I
7 don't know. Whatever. We have open field. Customer
8 overseas, customer in United States. Most of the
9 states -- the states we allow to sell products, we have
10 customers.

11 MS. FUCHS: Raynette, do you have any other
12 questions before I move on?

13 MS. NICOLEAU: No.

14 MS. FUCHS: Okay.

15 MS. NICOLEAU: Is this a good time for lunch
16 or did you want to go a little further?

17 MS. FUCHS: I'm sorry. What?

18 MS. NICOLEAU: Is this a good time for lunch?

19 MS. FUCHS: Oh. Whatever you guys want, fine
20 with me.

21 MR. SALLAH: Yeah. That's fine. You want to
22 take like a half hour, Raynette?

23 MS. NICOLEAU: Well, I was thinking -- let's
24 take until 2:00 so that Trish can both take her
25 lunch and also work out her technical issues. So

1 that extra ten minutes will help us work out those
2 technical issues.

3 MR. SALLAH: Whatever -- it's your guys
4 record. Whatever you guys want to do.

5 MS. NICOLEAU: Yeah. Let's do --

6 MR. SALLAH: Take til 2:00?

7 MS. NICOLEAU: Yes.

8 MS. FUCHS: Okay. So we'll be back at 2:00
9 then.

10 MS. NICOLEAU: Okay.

11 MS. FUCHS: Okay.

12 MS. NICOLEAU: Thank you. Off the record.

13 (Whereupon, the luncheon adjournment was
14 taken, after which, the following was taken.)

15 MS. FUCHS: We're back on the record at 2:06
16 p.m. after a lunch break.

17 BY MS. FUCHS:

18 Q Shortly before going back on the record, Jim,
19 you mentioned that Mr. Oran recollected a few answers
20 to some questions, and so we wanted to give you an
21 opportunity to clarify or make my additions to what
22 you, Mr. Oran, had testified to.

23 A The first question that you ask me is
24 regarding the four hundred and something thousand
25 dollar that we show as losses and I didn't recall what

1 happen, but when they do the auditing financial
2 statement, we give a lot of products in the shows free
3 to customers just to get to know us. So it was big
4 amount of money that we give away and they didn't want
5 to write that as sales because we didn't sell it, so
6 write it as a loss because we give away. If I'm not
7 mistake, that's the amount. It was very big amount.
8 And this was the amount in the first year of the
9 company.

10 Q Okay.

11 A The second question you ask me --

12 Q I appreciate it.

13 A -- is, who is the two companies that buy from
14 you in 2017, the big amount of money. One of name is
15 Alon Ezra. He's a kid that selling everything on
16 Amazon, eBay that buy from us a lot of -- and this
17 year. And second time is a CBD distributor group.
18 They selling all smoke shop product. They used to buy
19 a lot from us. They now manufacturing their own
20 product. They don't buy anymore from us.

21 Q Okay. Were those customers that Shimon
22 found? Was he the one who found those customers?

23 A Shimon deal with them. Shimon found them. I
24 don't have anything to do with non of them besides --
25 yeah, I talk to them a few times. Maybe one or twice

1 on the phone. Maybe three times on the phone, but
2 nothing to do with sales. In general what we planning,
3 what the company want to do, what is our things; we
4 talked about it and nothing more than that.

5 Q Okay. All right. Is there anything else
6 before we continue?

7 A That's the two question that we miss. No. I
8 don't have anything.

9 Q Okay. Okay. Well, thank you for clarifying
10 those questions and telling us that.

11 So going back to page 17 of 64 of Exhibit 21.
12 One of the things we notice is the increase in
13 consulting expenses.

14 BY MR. SALLAH:

15 Q You know, we touched on that. You want to
16 explain what that passage is?

17 BY MS. FUCHS:

18 Q Do you see whether it says approximately two
19 hundred 5,000 result of an increase in consulting
20 expenses, can you elaborate on that?

21 A I cannot get into the detail. Probably we --
22 it's what time? 2018 is the second year that Lenny
23 gets paid from the company and I gets paid from the
24 company, so probably the salaries that we get paid,
25 plus one of the board member gets paid or the expenses

1 for the financial statements. I don't know. I need to
2 go to the detail of those transactions. I don't know.

3 BY MR. SALLAH:

4 Q She is just focused on the consulting
5 expense.

6 A Yeah. Consulting is Anna Berman. Also I
7 think is consulting.

8 Q How much were you paying Lenny?

9 A Lenny -- Lenny get in 2018 I think 12,500 a
10 month.

11 BY MS. FUCHS:

12 Q I'm sorry. I couldn't hear you. Could you
13 repeat that?

14 A I'm assuming Lenny get in 2,000 -- sometime
15 in 2018 12,500 a month. In the beginning he get 7,500
16 and then we raise him to 12,500.

17 Q That was for 2018 you said?

18 A Sometime in 2018 I raise his salary. I don't
19 remember when exactly. I cannot -- I need to go to the
20 record to know the exact timing.

21 Q And that was consulting just for PSIQ?

22 A Just for PSIQ, yes. In each company he have
23 a different agreement.

24 Q Okay. And then why did -- also, what was the
25 cause of the rent increase?

130

1 A We go from a small office to a big office, so
2 we had more square foot. We changed the location to a
3 huge location, so the rent increased by the square
4 foot.

5 Q Okay. The new location you moved to, is that
6 a location that you own or --

7 A It's in the same building. I was in a small
8 location and then we require a big location because we
9 have more inventory, more sales, more team to work, so
10 we transfer from one floor to a second floor; half of
11 the floor to a better floor.

12 Q Okay. And so that's the building that's
13 owned by Nataliya Kirk; is that right?

14 A That's correct. It's my building. The
15 building we own.

16 Q Okay. And then the advertising expenses.
17 Can you tell us what kind of advertising that was?

18 A Yeah. We have different advertising. We
19 send fliers to customers. We make books. We make
20 catalogs. We spend money on fliers. We spend money on
21 the shows. Give away products.

22 Q Okay.

23 MS. FUCHS: Raynette, do you have any other
24 questions before I get to some of the exhibits to
25 Exhibit 21?

1 MS. NICOLEAU: No.

2 BY MS. FUCHS:

3 Q Okay. Mr. Oran, I know you mentioned what
4 Lenny Tucker received in consulting, can you tell us
5 what type of compensation you received from PSIQ?

6 A In the beginning I received 7,500 and after
7 that 12,500, and after that I didn't receive nothing.
8 I keep fulfill the company needs and put my own money
9 back. So anything I took from the company, I put
10 probably three time more.

11 Q Okay. Was -- that money that you got, was
12 that consulting fees?

13 A No. I was on the board. I think it was the
14 board -- as CEO of the company. I think I have an
15 agreement as CEO or something like that. There's an
16 agreement there for my position in the company.

17 Q Was that a consulting agreement with Elite
18 products that you're referring to?

19 A No. Elite was consulting, but I move from
20 Elite to PSIQ. It was an officer and director salary I
21 think.

22 Q So you were getting the same amount as
23 Mr. Tucker?

24 A I get salary. I didn't -- honest, I didn't
25 get salary. I took salary, but I put it back in the

1 company. I invest it back. If you see there the
2 paperwork, everything I took, I put three time more.

3 Q But -- I understand. But the 12,500, isn't
4 that the same amount that Mr. Tucker was getting?

5 A The same amount I took for me and I took for
6 him. I didn't want to take more money. I think it was
7 enough for me for the time in the time I spend for this
8 company.

9 Q But why was he getting as much as you were?

10 A He work hard with me and I think he deserve
11 to get paid that much.

12 Q Okay.

13 A No reason for it. He was working very hard
14 around the clock with me, so that's what -- I offer him
15 7,500 and when I see that we doing good and the company
16 grow, I raise him and I raise myself too.

17 Q Okay.

18 MS. FUCHS: Raynette, do you have anything
19 else on Exhibit 21? Do you have any questions
20 about --

21 MS. NICOLEAU: No. I'm good.

22 MS. FUCHS: -- 10.1?

23 MS. NICOLEAU: No.

24 MS. FUCHS: Okay.

25 (SEC Exhibit No. 23 was marked

for identification.)

2 BY MS. FUCHS:

3 Q All right. I'm showing you what's been
4 marked as Exhibit No. 23, which is actually the same
5 thing as Exhibit 10.2 to the S -- the PSIQ S-1A, so you
6 should have that handed, Jim.

7 MR. SALLAH: Which? I'm sorry. Which?

8 MR. BOWS: PSIQ amended.

9 MS. FUCHS: It was filed with EDGAR. We've
10 marked it Exhibit 23, but it's actually Exhibit
11 10.2.

12 MR. SALLAH: We're talking about in here --
13 in the --

14 MS. FUCHS: It's the employment agreement.

15 It says affective --

16 MR. SALLAH: I got it.

17 MS. FUCHS: It says affective May 1st, 2018.

18 MR. SALLAH: Okay.

19 MS. FUCHS: It says replaces the agreement
20 made November 1st, 2017 by Elite Products
21 International, LLC and Shimon Fhima.

22 MR. SALLAH: Okay. Hold on. We're doing it
23 right now. Here we go.

24 MR. BOWS: And there is the amendment right
25 her

1 MR. SALLAH: Yeah. There is the amendment

2 10.2. Okay.

3 BY MS. FUCHS:

4 Q Okay. I'm putting this up so it's a little
5 easier. Do you know how much -- what Mr. -- I'll just
6 call him Shimon.

7 Do you know what Shimon's compensation is?

8 Here it is. We're looking at section 3 if you see.

9 A Yeah. He got whatever is there. It's 4,000
10 a month.

11 Q 4,000 per month. Okay. And do you know how
12 that was negotiated?

13 A I negotiate with him. In that time that's
14 when we starting the company, that was the first
15 agreement. He change it. His agreement been change.
16 It's not correct for now, but it was then.

17 Q I know you said before that Shimon was a has
18 been a friend for 30 years, did he ever -- did he ever
19 live with you at a certain point?

20 A Yeah. He got divorced from his wife and at
21 the time he used to live with my guest house for -- in
22 the beginning of -- we starting the company for a few
23 months, I think a year, maybe a year and-a-half. He
24 just been guest in my guest house in my house in
25 Weston, yes.

1 Q Okay. For how long?

2 A I don't know. Maybe a year; maybe a year and
3 a half. Until he gets on his feet, then he got back to
4 his -- he rent a place and he move out.

5 Q Did he pay you rent for that?

6 A The truth, he supposed to pay me, he never
7 pay me, I never ask for it.

8 Q Okay. So he didn't give you any type of
9 compen- -- compensate you in any way; is that correct?

10 A Not to living with me as my guest, no. No.

11 Q Does he owe you any money?

12 A Owes me money? No. He doesn't owes me
13 money. I don't -- listen, I guest him in my house,
14 that's all about it. I don't ask for money.

15 Q Okay. 'Cause I thought you said he was
16 supposed to pay rent, but he didn't.

17 A In the beginning -- in the beginning he was
18 supposed to pay me rent, then, you know, he start to
19 work with me in the company and he making 4,000 a
20 month, I tell him build yourself until you going to be
21 strong and go to your own. I didn't take from him any
22 money. I don't recall taking from him any money.

23 Q Okay. So do you expect him to pay you
24 anything in the future for that?

25 A I don't expect him to pay me. I don't ask

1 him to pay me. I don't ask for the rent.

2 Q Okay. Did he enter any -- into any loans
3 with you?

4 BY MR. SALLAH:

5 Q You ever loan him money?

6 A I don't remember. I don't think so. I don't
7 think so. He doesn't owe me any money in this minute.
8 If I give him few thousand and he return it, I don't
9 remember. Maybe yes, maybe no. I don't remember.

10 BY MR. SALLAH:

11 Q Something substantive, 10,000?

12 A No. No. I don't think so. No. No. No. I
13 bought his -- I rent his car, I give him the house to
14 live, what else exactly. Working in the company. I
15 don't think, no. I don't recall anything he owe me.

16 Q Is there a reason that Mr. Tucker's
17 compensation is higher than Shimon's?

18 A Yeah. Because Mr. Tucker is handling all the
19 public company that I don't know how to handle it and
20 Shimon didn't know how to handle it, that's why he gets
21 paid more.

22 Q Oh. If you look at 3.4 -- paragraph 3.4.

23 BY MR. SALLAH:

24 Q Yeah. Right there.

25 A I see it.

1 MR. SALLAH: We're on it.

2 BY MS. FUCHS:

3 Q It talks -- yeah. It talks about a monthly
4 bonus. And it says, that shall not exceed 3,500 per
5 month. It talks about sales over 50,000 per month.

6 A Over 50,000. Not 15, 50.

7 Q Yes. 50,000. Does he have to -- is that --
8 does he have to create 50,000 a month of sales on his
9 own to get the bonus or could that be from sales that
10 someone else generates?

11 A Oh. It was sales of the company. The
12 company need to create 50,000 sales for him to get the
13 bonus.

14 Q Okay. So it doesn't have to be him
15 personally creating that; is that correct?

16 A He's the CEO of the company. He's not the
17 sales person of the company. In general he --

18 Q Okay.

19 A -- get the commission on the company behalf.

20 Q Okay.

21 MS. FUCHS: Raynette, do you have any other
22 questions here?

23 BY MS. NICOLEAU:

24 Q How was it negotiated that he would get three
25 -- that Shimon would get 3.5 percent?

1 A Well, that is what common in the industry of
2 sales that I know in my experience. This how much I
3 looking for. If anybody want me to sell for him
4 anything, I looking for that 3 to 6 percent from the
5 general sales that I do and that's why I give it to
6 him. He didn't ask for it. I think that's the common
7 on our industry of sales.

8 Q Okay.

9 MS. NICOLEAU: That's all, Trish.

10 MS. FUCHS: Okay.

11 A And by the way, Shimon didn't get paid what
12 he should get paid because he build a beautiful
13 company, so he compensate later on for that.

14 (SEC Exhibit No. 24 was marked
15 for identification.)

16 BY MS. FUCHS:

17 Q Okay. If you could see, I've just -- I'm
18 sharing a document that's been marked as Exhibit No. 24
19 and this document is actually the Exhibit 10.3 to the
20 PSIQ filing. It's the consulting agreement with
21 Mr. Tucker. It's effective as of January 1st, 2019.
22 It says that it supersedes and replaces the Elite
23 products consulting agreement dated November 1st, 2017.

24 A Yes.

25 Q Okay. Do you recognize this document?

1 A I recognize the document. We made the
2 document at that time, but we never -- we never -- we
3 put it on. I don't think he gets paid anything from
4 Elite. In my recall, he never get paid from Elite
5 anything.

6 Q Well, did he -- did he provide any services
7 to Elite?

8 A He suppose, yes. He suppose. He bring me a
9 Chichi Chong products to the company and he supposed to
10 get, but I never -- we never fulfill that agreement.

11 Q Did he engage in any efforts to help grow
12 Elite?

13 A He did help me. He did make phone call. He
14 did call his colleagues from other industry that they
15 dealing CBD at this time and he try to get me involve
16 with a few companies that he's -- create a deal for
17 Elite. We think how to give him some more benefits if
18 the deal would happen. None of the deal came up
19 besides Chichi Chong. And we didn't give -- I don't
20 think we paid him anything from Elite. I don't recall.
21 'Cause we paid him from PSIQ. I don't see that Elite.
22 He never get paid from Elite.

23 Q If you look at paragraph 2, description of
24 services, where it talks about retaining him as a
25 consultant, do you know what types of duties that he

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1 did pursuant to this No. 2, the description of
2 services?

3 A Like I say, he was involved between a few
4 companies to introduce to us on behalf of Elite. He
5 was involve in the whole structure to close the deal.
6 It was Chichi Chong and another company, Stem Holding,
7 that we did the deal together in Africa and we think
8 how to give him more -- if the deal will go through how
9 to give him more pay. That's what it was. That's what
10 I recall.

11 Q Okay. And paragraph 4A talks about
12 consideration and I know that -- it says here that
13 he'll be compensated 12,150 per month. You didn't
14 discuss this --

15 A Yes.

16 Q I'm sorry. Continue, please.

17 A I send these documents to be inspected by my
18 lawyers and at that time they tell me that's okay, to
19 write it down and to give it to him. I didn't know if
20 I be able to pay him any commission and anything on
21 those things. They approve that I can give him
22 commission if I do. If he do anything, that's right,
23 so accurate and then we agree on things, but never --
24 he never get paid for them. It never happen. Never
25 get \$1 from Elite. In my memory he didn't get paid for

1 nothing.

2 Q Okay. So to your knowledge, he never got
3 this monthly payment from Elite?

4 A And his knowledge -- in my knowledge he
5 didn't get paid. In his knowledge I owe him the money,
6 so he try to go after me for the pay to pay this, but
7 we settle it out of the problem. And he think I owe
8 him the money.

9 BY MR. SALLAH:

10 Q After the fact?

11 A Yeah. After the fact he want the money from
12 me to pay him for this contract, but I didn't pay him
13 and I just took a lawyer, and then we settle our thing
14 and I didn't pay him anything, so he hire a lawyer to
15 sue me.

16 BY MS. FUCHS:

17 Q How was this figure arrived at, the 12,150?

18 A The true, I don't remember. I don't want to
19 tell you something that I don't -- I don't remember. I
20 know that we did an agreement, we calculate how much
21 profits we will make I think it was at that time and he
22 need to get paid for it because he construct the
23 introduction between me and the other companies, and I
24 was sure it's fair, but it never happen. I know he
25 never get \$1 from them.

1 Q And then, you know, a little bit farther
2 down, section 4 paragraph D where it talks about in the
3 event the consultant generates business for the company
4 and any sales resulting he will be entitled to a
5 commission 20 percent of the net proceeds. Again, I
6 know you said he got no money, but to your knowledge,
7 did he ever get any kind of this commission of -- equal
8 to 20 percent or any other commission?

9 A In my opinion, he didn't get one dime from
10 Elite company, but maybe I mistaken. This is
11 accounting questions. I can find out with accounting
12 and give you the answer. I don't think -- in my
13 opinion, in my memory as much as I remember, I don't
14 think he get paid anything from Elite.

15 Q Do you know why he would have this in his
16 agreement to get 20 percent, but Shimon did not?

17 A Yes, I know.

18 Q Why is that?

19 A 'Cause he push me for 20 percent and at that
20 time it was sound good because I have a plan to make
21 with this company a lot of millions of dollars and 20
22 percent was for me reasonable to give him. It was one
23 of the best introduction that I never had in kind of
24 this business. It was actually the best one, but it
25 all blow because of this situation we have.

1 Q Okay. Did anyone else have this kind of
2 arrangement, the 20 percent?

3 A I don't think so. He was -- nobody else
4 bring me Chichi Chong to the company, so I don't think
5 nobody else get this.

6 Q Okay.

7 MS. FUCHS: Raynette, do you have any
8 questions about this document.

9 MS. NICOLEAU: No.

10 BY MS. FUCHS:

11 Q Were there any other directors of PSIQ?

12 A It was two more directors. One of them is a
13 lawyer by the name Eddie Nurieli showing on the S-1.

14 Q Okay.

15 A Another director I cannot recall his name
16 right now. He's a financial guy that is with us, but
17 in this time Eddie Nurieli no longer. After this
18 investigation, he pull his name from company because he
19 didn't want to have any issue, so he pull his name out
20 and we left only me and another director.

21 Q Oh. So he resigned? Did he resign then?

22 A He resigned from the company because of the
23 situation with SEC.

24 (Court reporter clarification.)

25 MR. SALLAH: Just for reference, he's looking

1 at if S-1 or the S -- yeah, the S-1. Trish, we're
2 trying to find it.

3 A It's O-D-I, last name is N-U-R-I-E-L-I.
4 Spelling it on -- it's different. I spelling on my
5 phone different. E-D-D-I-E, last name is
6 N-U-R-I-E-L-I.

7 Q Thank you.

8 MS. FUCHS: Raynette, do you have any other
9 questions in this area.

10 MS. NICOLEAU: Well, we were waiting for the
11 name of the other director.

12 MS. FUCHS: Right.

13 MR. SALLAH: Yes. That's -- he's here.

14 A No. This is the first one.

15 BY MR. SALLAH:

16 Q Oh. That's the first director?

17 A The other director, one second. I don't
18 recall. One second. I need to -- I need few minutes.
19 It's going to come to me. I'm sorry. I apologize.

20 BY MS. FUCHS:

21 Q No. Don't worry about it.

22 A I going to come back to this. Give me few
23 minutes, it will come to me.

24 Q Yeah. That's fine. That's fine.

25 BY MS. NICOLEAU:

1 Q Mr. Oran, do you recall the time period for
2 this other director?

3 A I cannot tell you times, no. Definitely I
4 cannot tell you times, but he still on the board with
5 me. He's the only board member with me.

6 Q And you said he was a financial guy?

7 A The financial guy that my lawyer Eddie
8 introduce to me and I find him a very nice guy, and
9 very smart, and I want him to be on the board to help
10 me out.

11 Q Okay. Was he on the board more than a year?

12 A Yeah. It's more than a year, yes.

13 Q Okay. More than two years?

14 A I cannot not tell you that. I don't know. I
15 can give you the times and dates when I have it in
16 front of me.

17 Q Okay. Thank you.

18 BY MS. FUCHS:

19 Q Okay.

20 MS. NICOLEAU: Trish, I have one more
21 question.

22 BY MS. NICOLEAU:

23 Q Do you know why that director was not listed
24 on the S-1 -- the amended S-1?

25 A I think he came after the S-1, so that's why,

1 if I'm not mistaken.

2 Q So this S-1 was filed on March 5th, 2019, but
3 you testified that he was on the board for more than a
4 year and he resigned shortly after.

5 MR. SALLAH: Raynette, what's the question?

6 Let's not get crazy. What was the question?

7 MS. NICOLEAU: So my question is, first ask
8 why was the director not listed on the amended S-1
9 and based on the time frame that was given, that
10 this person was on the board for more than a year,
11 I'm just wondering like -- I'm trying to nail down
12 the time frame.

13 MR. SALLAH: I got it. So if he resigned
14 over a year, he should be at least on one S-1 is
15 what you're saying?

16 MS. NICOLEAU: Yes.

17 A I don't remember. I don't want -- I don't
18 remember.

19 BY MR. SALLAH:

20 Q No. Just say it.

21 A I need to look at the fact to tell you.

22 Q No. But there was no reason -- there was no
23 specific reason?

24 A I don't know. Maybe he came right after we
25 put the S-1. I don't remember if it's 6 month or 5

1 month, or three years. If it's not on the S-1, it mean
2 he was not in the company at that time or the lawyer
3 forget to put him. I don't know.

4 BY MS. NICOLEAU:

5 Q So you will let us know when you recall his
6 name? All right. Thank you.

7 MR. SALLAH: Yeah. We'll find out.

8 A Few minutes I will let you know. I just need
9 to -- before we finish I would answer.

10 (SEC Exhibit No. 27 was marked
11 for identification.)

12 BY MS. NICOLEAU:

13 Q Okay. Thank you.

14 MS. NICOLEAU: All right, Trish.

15 MS. FUCHS: Raynette, I was going to go next
16 to our Exhibit 27, until you have anything else
17 you wanted before. I was just going to skip ahead
18 to that unless you wanted to go a different one.

19 MS. NICOLEAU: No. Go ahead.

20 MS. FUCHS: Okay.

21 BY MS. FUCHS:

22 Q Okay. I'm showing you what we have marked as
23 Exhibit No. 27, which is actually Exhibit 10.11 to the
24 PSIQ S-1A. It's a subscription agreement entered into
25 between Stempro International Inc. And it says, "The

1 undersigned subscriber in the company as of January
2 14th, 2019."

3 MR. SALLAH: We're there. We got it, Trish.

4 MS. FUCHS: Okay.

5 BY MS. FUCHS:

6 Q Can you tell us about this document? Do you
7 recognize it?

8 A Yes.

9 Q Okay. Can you tell us what it is?

10 A Of course. That's a document made between
11 PSIQ, Profile Solution Inc., and Stem Holding regarding
12 the deal that we supposed to do in Eswatini in Africa.
13 We supposed to give them 49 percent, keep 51 percent.
14 We create a new company, a new LLC, Stem Holding, and
15 they supposed to finance the whole structure in Africa.
16 Until December 31st of 2020 I was assuming I going to
17 be able to do the deal because of the lack of time and
18 the matter, I send to the government in Eswatini a
19 letter that I backing off the deal and I not interested
20 to do the deal anymore with them, and I move -- we
21 received the license in Israel instead and I have
22 another company with license in Israel that I retrieve.
23 Three weeks ago we receive it.

24 Q Okay. So let me just start out here with
25 this agreement, Exhibit No. 27. Can you tell us how

1 this came about?

2 A I received a phone call from one of my
3 friends in Israel that the country of Eswatini, we will
4 regulate a new license for cannabis for companies from
5 all over the world. I start to contact the
6 government -- actually, the princess of Eswatini and we
7 start to accomplish a solution to operate a company in
8 Eswatini.

9 I bring the whole crew, the prince and --
10 to the United States to work with me in company.
11 They growing cannabis. They came over. They been
12 with us few weeks. When they go back, they send me
13 information that we will get a license for growing
14 cannabis in Eswatini. I go there with my teams from
15 Israel and from the United States. I structure what
16 I want to be and how I want to grow the cannabis
17 there. We prefer land on the free zone of the
18 country.

19 We start the process. We open a company.
20 We open a bank account and we start the process, the
21 license. It was a pending license that they promise
22 to give us if we go to the structure of the
23 government. I try to get the license for the last
24 two years. I spend a lot of money and effort and in
25 November -- in December 31st I realize that it's too

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1 many issues in the country, too much problem, too
2 much fighting between the king and the princess, and
3 the government. I decide to leave that deal alone.
4 For meantime in those times, I open a company in
5 Israel to get the license from Israel and I got the
6 license a few weeks ago.

7 Q Okay. So we'll go and unpack that. But
8 first of all -- so for Exhibit 27, the subscription
9 agreement, why was this done as a subscription
10 agreement as opposed to a different device such as a
11 partnership agreement?

12 A Because at that time we didn't even have
13 nothing. We just -- I need to have commitment for
14 somebody so I can get the money to build the facility
15 in Africa. I didn't want to go to Africa without to
16 know that I can raise the money. That's what I did
17 with them. They provide with me information that they
18 raise the money for us so we can do the transaction.

19 Q And -- sorry. I'm having an issue pulling
20 the documents.

21 How much money did you want to get?

22 A I have a commitment for them to get
23 \$5 million for that investment. I have a commitment.
24 This is a writing commitment for them to invest the
25 money in Africa.

1 Q Okay. And how -- and this was -- who was
2 getting the money for you? Which entity?

3 A Stem Holding. It's on the paper. They sign
4 for this. Stem Venture, Inc.

5 Q Okay. Now, where was Stem Ventures going to
6 raise the money? How?

7 A I don't know. It's a public -- another
8 public trading company in the field. They have their
9 own investors and they like the deal, and they commit
10 for their money, and they raise the money. They have
11 the money in the bank for more than a year.

12 Q Okay. So do you know if they, in fact,
13 raised it from investors, the 5 million different
14 investors?

15 A I'm assuming they have their own way to raise
16 money from their investors. They're public trading
17 company and that's what they did. They raise the
18 money. I don't know exactly how, but I know they got
19 the money in the bank and they got the commitment fee
20 from their side.

21 Q Okay. And that is status of the relationship
22 with them now?

23 A I send them -- on December 31st, 2020 I send
24 letter to everybody that I withdraw the deal from South
25 Africa; we not going to be involved and anybody is free

1 to do anything they want, including Stem. They not
2 longer liable for that deal for me and we are not
3 liable for them. We separate way.

4 Q And how does this subscription agreement, how
5 does this relate to South African Ventures?

6 A I cannot understand the question, please.

7 MR. SALLAH: Say that again.

8 BY MS. FUCHS:

9 Q Is there any relationship to South African
10 Ventures?

11 MR. SALLAH: South Everest -- South Everest
12 African?

13 A No. South African Ventures.

14 BY MS. FUCHS:

15 Q South African --

16 A -- Eswatini.

17 Q South African --

18 A South African Ventures in Eswatini. The
19 country was Swaziland, that's the South African
20 Venture.

21 BY MR. SALLAH:

22 Q That's the joint venture?

23 A The joint venture.

24 MR. SALLAH: That's the name of the joint
25 venture, Trish, the one he was talking about in

1 Swaziland.

2 BY MS. FUCHS:

3 Q That's the joint venture you were mentioning?

4 A The write down South Africa Ventures, they
5 mean South Africa, Eswatini. They write Eswatini in
6 the beginning, but they didn't the description. They
7 mean South Africa because it's happening in South
8 Africa.

9 MR. SALLAH: Okay. They wrote Santini, but
10 whatever they wrote, they meant South Africa is
11 what he's saying.

12 MS. FUCHS: Okay. Raynette, do you have any
13 other questions regarding Exhibit 27?

14 MS. NICOLEAU: No.

15 MS. FUCHS: Okay.

16 MR. SALLAH: He like to add, that Lenny
17 introduce him to Stem. Why don't you tell them.

18 A Sorry. I need to add another paragraph
19 there, that part Lenny introduced me to Stem. So he
20 was -- introduce me to Stem when I tried to raise the
21 money.

22 BY MS. FUCHS:

23 Q How did he know -- how did he know of Stem?

24 A That's not a question for me. That is a
25 question for Lenny.

1

2 BY MR. SALLAH:

3

Q Did you know --

4

A I don't know. He introduce me. I don't know
5 how he know and what he --

6

Q So I know you kind of gave us a lot of
7 information, we just want to kind of get questions and
8 ask some more.

9

So going back to Exhibit 21, which is the
10 PSIQ amended S-1A, we want to find out more
information. If you go to page 20 it talks about --
11 the beginning it says, "We plan to establish operations
12 in the Kingdom of Eswatini in southern Africa."

13

MR. SALLAH: Hold on one second, Trish.

14

We're talking about exhibit -- the form S-1,
15 correct, the amended?

16

Q The amended one, exactly. Which is Exhibit
17 21?

18

MR. SALLAH: Yes.

19

MS. FUCHS: Okay.

20

MR. SALLAH: Okay.

21

MS. FUCHS: So if you go to page 20 of 64 --

22

MR. SALLAH: Yes. We're there, Trish.

23

BY MS. FUCHS:

24

Q Okay. Can we backup? Because I know when we

1 were talking about the subscription agreement, you told
2 us a lot of information about Eswatini, so we need to
3 break that down. Can we just start -- you know, let's
4 just start from the beginning following the S-1A where
5 it says, "We received preliminary approval from the
6 Eswatini Ministry of Economic Planning and Development
7 to establish an exclusive growing farm and processing
8 plant for medical cannabis and hemp in the Kingdom of
9 Eswatini formally known as Swaziland."

10 So let's just break that up little by little.
11 Can you tell us about that?

12 A I was -- at that time couple weeks before we
13 write this on Eswatini, I was with all the government,
14 with the prime minister, minister of health, minister
15 of agriculture. I sit with them in the government
16 offices and they promise to give us a license to work
17 cannabis in the country. At the bottom of that, they
18 need to go over the regulation of the government to be
19 able the give us the license. I ask him very, very
20 clear, how long it's going to take. They say it's
21 going to take like three, four months and we have this
22 license. And when I get back, I have promissory from
23 them, from the prince, from the whole government that
24 we going to have the license. I ask my lawyer if I
25 need to notify everybody about it and they suggest me

1 to do that because that's the right thing to do. So we
2 write exactly what should be, what's going to happen
3 and that's what we put in the S-1.

4 Q Okay. So before you mentioned -- like just
5 going back to how you heard of Eswatini, I think you
6 mentioned that you got a call from a friend in Israel,
7 who was that?

8 A His name is Dan -- hold on one second. His
9 name is Daniel Rozner. D-N -- D-A-N-I-E-L, last name
10 is R-O-Z-N-E-R.

11 Q Okay. So when did Mr. Rozner first get in
12 touch with you?

13 A Few months before we go to -- I cannot give
14 you dates exactly. I can give you period of time. If
15 you want to get dates, I need to go back to the record
16 and start to look for dates. He call me, when he call
17 me I get in with him and another partner that I have in
18 South Africa. We contact the prince of Eswatini. I
19 invite them to come to the US. After they came to the
20 US, I go to visit them with my whole team to make sure
21 that it's correct and what they offer me is a
22 reasonable offer, and then I came back and I write down
23 what exactly happened.

24 Q So let me go back. So Mr. Rozner, what does
25 he tell you about Eswatini?

1 A He tell me that the government Eswatini
2 looking for a grower for cannabis to come to the
3 country and do the growing of cannabis on behalf of
4 Eswatini for export all over the world.

5 Q And how did he know about this?

6 A I didn't ask him. He have connections. I
7 don't know. He work in that South Africa area and he
8 have some connections. How he know, I don't know.

9 Q Okay. Then -- so after he calls you, then I
10 think you said you, Mr. Rozner -- tell me if I'm right.
11 You, Mr. Rozner and someone else contacted the prince
12 of Eswatini?

13 A I have another person that's from South
14 Africa who used to work for the Israeli military that I
15 trust that I connect with him. He was part of my team
16 to get the license for the Eswatini. So he was part of
17 my partner to try to make the deal happen. We contact
18 him. His name is Rafi -- hold on one second. His name
19 is R-A-F-I, last name is K-I-N-S-T-L-E-R. He's a
20 resident -- a citizen of South Africa. And I call him
21 to get together to -- actually, Daniel Rozner put it
22 together and we get together, and we meet, and we
23 decide we going to go see if -- no. We decide that
24 first, they need to come to see how operation like this
25 create in the US before we go there.

1 And I invite them and they came. I invite
2 the prince -- the two prince to the US and they came
3 over here and I took them all around to Colorado, to
4 all the facilities growing cannabis, and to Oregon,
5 and then we came back to Florida to show them our
6 operation. And then they decided they like me to
7 come to their country to represent me to the whole
8 government. And we plan to go there. And I took
9 with me a few people, Rafi, Daniel and the
10 ex-military of -- the ex-military -- police military
11 in Israel. The captain of the police military in
12 Israel, we get him with us to look for the place in
13 Eswatini and to make sure that I -- if I do
14 something there, that I can protect it and make sure
15 it's going to be something that make sense for PSIQ
16 to get involved with.

17 Q Okay. And who is that ex-military police you
18 just mentioned?

19 A His name is Golan Maimon. If you go to
20 Canaberry Tech website you going to see him. He's the
21 CEO of Canaberry Tech in Israel.

22 Q Okay. So when you first --

23 A Golan Maimon.

24 Q -- contact --

25 A G-O-L-A-N.

1 Q When you first contacted -- oh. Thank you.

2 MR. SALLAH: He's just giving you the
3 spelling.

4 MS. FUCHS: Oh. Appreciate it. Appreciate
5 it.

6 A G-L-O-I-N [sic]. Hold on one second.

7 M-I-M-O-N [sic]. Yes.

8 BY MS. FUCHS:

9 Q Okay. So how did you -- how were you able to
10 get in contact with princes in Eswatini?

11 A Are you serious?

12 MR. SALLAH: Tell them.

13 A I have relationship all over the world and
14 somebody introduce me no this guy and we become
15 friends. Right now he's the head of military of the --
16 he's the head of military of Eswatini. He's a big guy.

17 BY MS. FUCHS:

18 Q Okay. And did they have authority to
19 negotiate with PSIQ?

20 A The government have the authority to
21 negotiate, not the prince. The prince only introduct
22 me to the government and I been with the prime
23 minister, with the minister of health, minister of
24 defense, minister of police. I've been with all of
25 them in one room to discuss how we can create that in

1 Eswatini. I have pictures, if you want I send you all
2 the pictures so you see. It's really interested.

3 Q Okay. So first you were -- you had phone
4 calls with the princes in Eswatini. Do you remember
5 when that was?

6 A I don't remember dates and time. If you want
7 dates and time, we can go to my schedule of flying all
8 over there and before there, and flying to meet the
9 people. I can get you everything. It's schedule. All
10 been made with the tickets, airlines and all this
11 stuff. I don't remember dates.

12 Q Okay.

13 MS. FUCHS: Raynette, do you have any
14 questions before I get to when the individuals
15 came to the United States?

16 MS. NICOLEAU: No.

17 MS. FUCHS: Okay.

18 BY MS. FUCHS:

19 Q So then you mentioned some people from
20 Eswatini came to the United States, again -- I just
21 have to ask the question -- do you recall when that
22 was?

23 A I don't, but it was sometime and then right
24 before we -- a few months before I go the Eswatini. I
25 don't recall date. I'm sorry. Apologize.

1 Q Okay. Who came to the United States?

2 A I have two princes from the Kingdom of
3 Eswatini came. One of them is the brother of he king
4 and the second prince is the son of the king.

5 Q And why were these the two individual who
6 came?

7 A Because before they want to contact anybody
8 to do that operation in Eswatini, they want to know the
9 person and his ability to provide the business in
10 Eswatini.

11 Q And so there were two individuals who came?

12 A Two individuals came, yes.

13 Q And how long were they in the US?

14 A If I'm not mistaken, around a week or week
15 and a half they been present in the US. They travel
16 with me to Oregon, Chicago, and Florida.

17 Q And why Oregon?

18 A Because Stem Holding have their facility in
19 Oregon, so we go to visit them, then I go to visit
20 another company in Colorado and then we come to see our
21 facility here in South Florida.

22 Q Okay. So what kind of facility, first of all
23 was in organ?

24 A It's a cannabis growth places that belong to
25 Stem Holding.

1 Q Okay. And what about in Colorado?

2 A Also cannabis. We interested only in
3 cannabis, so we go to see different facilities in
4 cannabis, different provider of cannabis product,
5 different stores that sell cannabis. We want to copy,
6 paste whatever happen in Colorado and in Oregon to
7 the -- to Eswatini.

8 Q Okay. And did you accompany them to all the
9 different cities?

10 A I accompany them from the day, including pick
11 up their luggage to the day they leave. I deal with
12 them 24 hours a day.

13 Q Did anyone come with you?

14 A Lenny Tucker, Golan Maimon, the CEO from
15 Israel, and Adam Berk, and we have another fellow from
16 Stem Holding with us.

17 Q And what did Mr. Tucker do?

18 A Mr. Tucker was my advisor. He was with me
19 all around. I told you and I keep on repeat it, repeat
20 it. Mr. Tucker was with me. I review his comments and
21 anytime I did anything, I bring him to make sure that I
22 don't do mistake. That nothing that I do wrong to the
23 public trading company to make sure that everything I
24 do is been understand and I try to create something.

25 Q Who paid for that trip that the princes took

1 to come to the US?

2 A We paid for them. We paid for the tickets
3 for them. We comp them a hundred percent.

4 Q So when you say "we", are you talking about
5 PSIQ?

6 A I mean the company. PSIQ, yes.

7 Q Okay. So PSIQ paid for their airfare?

8 A And for the hotel, and for the food, and for
9 the water.

10 Q I'm sorry. And for the what? I couldn't
11 hear you.

12 A For anything we did there I paid for it.

13 Q Okay. So they were comped a hundred percent;
14 is that correct?

15 A Hundred percent comped.

16 Q Did they ask for that, the princes?

17 A I don't think they ask for that. I don't
18 think they ask for that, but in my opinion as a good
19 faith for them to come here to see what we doing, it
20 was in my intentions to spend the money on them. They
21 don't need my money. They have more than what we have.
22 They are princes.

23 Q Okay.

24 MS. FUCHS: Raynette, do you have any other
25 questions about the trip that the princes had

1 here?

2 MS. NICOLEAU: No. No. Go ahead.

3 BY MS. FUCHS:

4 Q Okay. So after the trip, tell me what
5 happens next.

6 A After the trip I arrange to go there with my
7 team. So I took one of the lawyer from Stem Holding; I
8 took Golan Maimon and I took Lenny Tucker, and I took
9 Rafi from South Africa, and I think I took Daniel from
10 South Africa and we all go to Eswatini to meet with the
11 government.

12 Q Okay. And again, any recollection of when
13 that was? How soon after -- how soon after they
14 came -- the princes came to the US did you go to
15 Eswatini?

16 A I don't know. It's all dating and dates. I
17 don't remember dates and not -- months, but it was a
18 few maybe months, maybe few weeks, maybe two months. I
19 don't remember.

20 Q Okay. How did it come that you went there?
21 Did you ask to go there? Were you invited?

22 A I didn't want to invest any money before I
23 hire a lawyer -- a local lawyer, open a local company,
24 open a bank account to make sure I be able to operate,
25 enter money to the country, to get out money to the

1 country. I didn't want to do anything without to be
2 present and to understand their system. I go talk with
3 a security exchange of them. I go talk with the banks.
4 I talk with anybody on ground that I can get knowledge
5 before I do any business in the country.

6 Q Okay. So just to get some more specifics.
7 Who -- you go, you travel to Eswatini, tell me -- like
8 just make a list of who you met with and what division
9 or agency they work for?

10 A I landed in South Africa in one of the city
11 that close to the border in South Africa. I have
12 people waiting for me on the ground with a car. We
13 drove four hours. We get to Eswatini. We took hotel.
14 We go to sleep. I wake up in the morning. I make a
15 meeting with a local lawyer to represent me there.

16 Q Okay.

17 A I finish with the local lawyers; I make my
18 phone call; I called to the prince and I went, and I
19 ask him to meet. I meet with the prince and we did a
20 schedule for the next three days to meet with all the
21 government officials. I meet the head of security
22 exchange; I meet the prime minister; I meet the
23 minister of health; I meet the minister of police; I
24 meet all the officials in the country to make sure that
25 if I do anything in that country, it will be legal a

1 hundred percent and I going to be safe, and nobody
2 going to kill me and none of my work there. I bring
3 the head of security -- the head of police army from
4 Israel, that he working for one of my company to verify
5 that everything I do on ground is hundred percent safe.
6 I meet everybody for few days and I go back to the
7 United States.

8 Q Okay. So first -- so you meet with -- let me
9 go back. So you meet with the minister of health; is
10 that correct?

11 A That minister is a woman. I don't remember
12 names, but she's a woman. Minister of health, yes,
13 used to be. They change the government in a couple --
14 last year.

15 Q Okay. What did you discuss with the minister
16 of health?

17 A I discussed with her the options for them to
18 grow cannabis in the country and to keep it legal. And
19 I offer them that if I going to do the business in
20 Eswatini, I will give Eswatini people options to get
21 the product at a decent price because they local and
22 they don't have money, and they have overflows with the
23 sickness. I forgot. They have the biggest percentage
24 of HIV people in the world and I offer to open centers
25 and to help the government to take care of those people

1 with cannabis.

2 Q Okay. And what did the health minister
3 say -- tell you?

4 A She just love me. She used my product. She
5 love me. She say they going to help me to get the
6 license. That's what they need in the country. She
7 was hundred percent positive.

8 BY MR. SALLAH:

9 Q Did you bring products over there?

10 A I bring products, yes.

11 Q They try it?

12 A Yes. They love it. We did like this and
13 they all use the product. It's legal. I don't do
14 anything illegal. It's legal.

15 Q Is cannabis legal there in Eswatini?

16 A No. We bring CBD. CBD is legal most of the
17 world. I didn't bring cannabis. I bring CBD with me.

18 Q At the time do you know if cannabis was legal
19 in Eswatini?

20 A A hundred percent legal. Everybody use it,
21 but it's not in the law. I change the law. Now the
22 law has been changed. I work two years to change the
23 law, but I will not do the business there. But I did
24 change the law. They write the new law in my books and
25 what I provide them.

1 Q What's the new law?

2 A To be legal like in Colorado, like in Oregon.

3 We give them the books of Colorado. I sit with them --

4 my guys on ground sit with them to write the laws and

5 it's like in the US.

6 Q Okay. Is 0?

7 A We give them all the information and they
8 write the law and the Colorado and the Oregon law.

9 Q When was the law passed?

10 A Excuse me. I don't --

11 BY MR. SALLAH:

12 Q When was the law passed?

13 A Couple weeks. I think it's a couple months
14 ago or few weeks ago, or six months ago. I don't know.
15 I'm not involved. I didn't get my license, so I -- in
16 December I stopped. So until December I didn't get my
17 license. But I know the government sit on it and they
18 working on the law to change.

19 MR. SALLAH: Trish, this is not the only one
20 we went over. We can provide substantiation about
21 the flights and, you know, obviously, you can ask
22 other witnesses.

23 A Pictures.

24 MR. SALLAH: We got photographs we're going
25 to provide you guys. I don't want you to think --

1 you know, this is not a made up story and he
2 wasn't going over there to try the street food.

3 You know, it wasn't a pleasure trip.

4 A She call go to the prince, he's going to
5 answer. I can do it now; put him on the line. What's
6 the problem? It's no problem.

7 BY MS. FUCHS:

8 Q Did -- the health minister, did she tell you
9 what types of steps that you would have to take in
10 order to establish a business and get approval and
11 licenses?

12 A They offer me a license -- temporary license
13 now. Take the temporary license, invest your money and
14 do it -- try to do it now. I say, no. I'm not going
15 invest \$5 million with temporary license. I want
16 license to show that I authorize to import and export
17 anything regarding cannabis to the country. And they
18 need to go through the whole process of the government.
19 So I say I wait few months. I don't care to wait. I
20 wait two years. After two years, I cannot wait no
21 more, you know. I declare the deal. They can send you
22 the letters. I have the letters provide to the
23 government on December 31st, 2020 that we not going
24 longer be involved. I did the whole procedure with the
25 government from A to Z, from applying for -- help them

1 to change the laws; from helping them to put the
2 structures; from helping them to write the new law. I
3 did everything with them from A to Z. And now it's a
4 lot of people because it's two years already. A lot of
5 people want that country. I am tired and I spend a lot
6 of money and a lot of time, so I say, I got the license
7 in different country in Israel, I don't need them to be
8 there. I going to do it in Israel.

9 Q Did you meet with any other ministers besides
10 the minister of health.

11 A I already tell you, I meet with all the
12 minister, including the prime minister. I meet with
13 all of them on one table. They all sit with me on one
14 table. Commerce of chambers, minister of health,
15 minister of agriculture, the prime minister. I've been
16 with everybody. If you want, I send you pictures with
17 everybody and the government building.

18 Q So when it says in the -- so what did they
19 tell you to do when you're talking with them? They
20 heard what you had to say, what are they telling you
21 was the next step?

22 A They give me preliminary license to do the
23 business there. I didn't took it because I didn't want
24 preliminarily license at that time after they promise
25 to give me the original license. They say that cannot

1 issue the license right now. They need to go to the
2 government and to the whole -- to whole change the law.
3 I accept it. I wait very -- for many months and, you
4 know, and I help them. Whatever they ask for us, we
5 provide them. We provide them the law in the United
6 States. The law of Oregon; the law of Colorado. How
7 to write the law. They write the law. Everybody -- my
8 lawyer was with them to structure everything and --

9 BY MR. SALLAH:

10 Q Who was that? Who was the lawyer?

11 A I don't remember. The only --

12 Q Can we --

13 A Yeah. yeah.

14 Q Can we provide the SEC what we provided to
15 the east --

16 A Of course I can provide it. I get everything
17 in e-mails. I can provide everything. Of course.
18 They can call my lawyers. They can see the letter from
19 me to the government now in December. They can see
20 everything. They can actually listen to all my call
21 with the prince. It's on the phone.

22 Q I don't want you to get --

23 A I don't care.

24 MR. SALLAH: Trish, we'll provide you guys
25 with any written correspondence between -- in

1 connection with cannabis.

2 A I think we already provide it in the package.

3 I'm almost positive. Everything in Eswatini they have.

4 We provided everything. The only thing I didn't
5 provide is pictures.

6 Q Okay.

7 BY MS. FUCHS:

8 Q So at that first meeting when you went to
9 Eswatini they say they would give you a preliminary
10 license?

11 A They give me a license to start to build my
12 project there and I didn't want that to be not official
13 like this for -- because the minister of health say
14 it's very good for her to do that, but I didn't feel
15 safe to do that in that condition because they can kick
16 me out anything because I don't have anything solid.
17 This is something they cancel after -- whatever they
18 want. I didn't want to accept it to invest \$5 million
19 to take a big risk. My partners invested money. You
20 know, it's a -- my other company friends they want to
21 invest and bring people from all over the world to do
22 that in Eswatini and then I'm not safe, so I didn't
23 took it. I just patiently wait until today, then I
24 don't got the license.

25 Q Did they tell you at that meeting that you

1 went to in Eswatini that they were going to have to
2 change the laws?

3 A Not at that meeting. They tell me that after
4 they already print the license that I didn't want to
5 take. I didn't took it and then they tell me they
6 cannot do it without they change the whole law in
7 Eswatini.

8 Q Change the law legalizing cannabis?

9 A Legalizing cannabis and hemp in Eswatini that
10 you can grow there in the street. They growing in the
11 street they don't need license. If you Eswatini
12 person, you don't need no license. You just grow it in
13 the back of your house. Everybody doing it, include
14 the king, the prince and all the crew. They have it in
15 the back of their house.

16 Q But is that legal? Was that legal?

17 A Nobody been arrested for that. And I don't
18 know. By the law it's not legal, no. But by the
19 country it's legal.

20 Q You mean it's unenforced? Is that what you
21 mean?

22 A No. Never. I never going to do anything if
23 I don't have a hundred percent license. They can do
24 whatever they want to me. No. No way.

25 Q Did you go back to Eswatini more than --

1 A Yes.

2 Q Did you go more than once?

3 A Yes, I go. The second time I go after a year
4 when they promise that the license ready and I come to
5 cut -- I come to cut the string, I guess, there and all
6 bullshit. They just want me to start to put money in
7 their ground, you know. I say no way. I'm not putting
8 one dime here until I got official license. I try to
9 get in with the United States embassy with the
10 ambassador there, but he didn't have time to meet me
11 and, you know, I was there a few days and I came back.

12 Q Did you go by yourself?

13 A No. I go with Rafi. With who I go? Rafi.
14 I think I go only with Rafi this time. My partner from
15 South Africa.

16 Q And that was you said about a year later?

17 A I believe it was a year later. I'm not -- if
18 I'm not -- I cannot recall if it's six months later, a
19 year later, but later. I need to check exactly.

20 Q Who did you meet with when you went back?

21 A Huh?

22 Q Who did you meet with when you went back?

23 A I meet with the prince; I meet with head of
24 the house; I meet with my lawyer; of course my
25 secretary on ground; I meet with the second prince, the

1 son of the king and I meet with head of police; I meet
2 with the commerce of chamber. All the commerce of
3 chamber of Eswatini.

4 Q And what did you discuss with them?

5 A Discuss with them the cannabis opportunity
6 that we have and we working with, and they promise it's
7 going to be ready and then right away; right away.
8 Because I didn't want to take this license that they
9 offer me, so they say it's going to take few more
10 months. Then they offer me to invest in different
11 structure: agriculture, electricity, gold, all kind of
12 different structure that they have in the country that
13 they want investor. I tell them I don't do any
14 investment until I finish the first one. I finish the
15 first one, then we talk about another investment. I
16 don't do another investment before I finish this one.

17 Q Okay. So let me ask you, going back to, you
18 know, where it's talking in the -- on page 20 of 64 of
19 Exhibit 21, the amended S-1 for PSIQ. Where it talks
20 about receiving preliminary approval, it said the
21 proposed agreement grants us the exclusive license and
22 permits for 10 years to operate an advance hemp and
23 medical cannabis growing, and manufacturing facility to
24 export hemp and medical cannabis worldwide, to operate
25 a cannabis research and development laboratory, and

1 create training facility to create jobs for Eswatini
2 citizens.

3 When did you get -- when did PSIQ get the
4 preliminary approval from the Ministry of Economic,
5 Planning and Development?

6 A They have the approval right after I was
7 there the first time they have it and they want to give
8 it to me. When I go there I got to get there, when I
9 realize it's not what I want, I didn't take it. But
10 for meantime, we already advertise that in our -- that
11 we got it. But they have it, but I didn't got it.
12 Physically I didn't want to take it because that's what
13 I filled. I filled for a license. Complete different
14 license was what they give me. And, you know, when I
15 get there and see it's not what I want, I left it there
16 and I didn't took it.

17 I can send to you guys the application of
18 Eswatini cannabis license hat we request with the
19 terms and conditions that they approve it verbally
20 before I get there and when I get there it was
21 changed. So I have nothing to do. I cannot make
22 them do what -- you know, they change on the ground,
23 but they promise me something else.

24 Q But the preliminary approval that says from
25 the Eswatini Ministry of Economic Planning and

1 Development, was that in a letter?

2 A It was a form of a letter. I didn't got it.

3 I didn't want it. I didn't got it. I didn't want it

4 because that's not what I filled out for. I fill out

5 for a license. They promise me a license. They

6 promise to go all this and spend all this money, and

7 licenses, and open bank accounts and everything, and I

8 get 10 years exclusivity rights for the country, and

9 they change it when I get to ground and I didn't want

10 to take it.

11 Q I'm not sure what you mean by they changed

12 it. What does that mean?

13 A It mean when I fill out my application, it
14 was the terms and conditions what I want. When they
15 tell me we got it and we got the preliminary license, I
16 got back to Eswatini when they approved the license and
17 it was different license. It's not what I request, so
18 I didn't take it.

19 Q So does the preliminary approval that's
20 referenced here, does that refer to the -- a license
21 you're talking about, the preliminary license?

22 A It's a preliminary license. It's a temporary
23 license to work in the country. It was not what I ask.

24 Q And you have that preliminary license?

25 A I'm repeating again; I didn't took it because

1 that's not what I applied for. I applied for cannabis
2 license and I didn't took this preliminary license.
3 When I get there to take it, I understand they issue me
4 the license for 10 years. When I see the preliminary
5 license I understand what they want. They want me to
6 put the money there, then I tie and I cannot do
7 anything. I didn't want to do it.

8 Q So is there -- you don't have the license,
9 you didn't take it, is there any documents that
10 reference this statement here about the preliminary
11 approval?

12 A I can get you my -- probably text messages
13 with the prince and with my lawyers, and I can ask them
14 if they can pull it out from their records. I don't
15 know. I cannot tell you something. I can get you all
16 our conversations and I can get you -- I can ask my
17 lawyer on ground to get me that license, if there's a
18 way to retrieve it because the new government now. So
19 I don't know if I can retrieve it.

20 MS. FUCHS: Raynette, before I pull Exhibit
21 41, do you have any questions?

22 MS. NICOLEAU: Yes.

23 BY MS. NICOLEAU:

24 Q Mr. Oran, so the statement that Trisha just
25 spoke about on page 20 that says, the proposed

1 agreement grants us the exclusive license and permits
2 for 10 years, so what was that statement in the S-1
3 based on? Was it based on oral discussions? Verbal
4 discussions?

5 A Those based on -- I did that statement right
6 before I go to pick up my license. They tell me it's
7 ready and I ask them that I can announce it, they say
8 yes. When I get there, the license that I request is a
9 different complete license, but I already get there. I
10 get there and they want to give me that license that I
11 didn't request, so I didn't do -- I didn't took it.
12 They promise to fix it in the next few months and
13 that's why.

14 Q No. I understand that, sir, that when you
15 got there you didn't take it. I'm asking you about the
16 statement that was made in the S-1. Was -- you hadn't
17 gotten to Eswatini at that point I think you're saying,
18 correct?

19 A I base my statements on their verbally talk
20 with my partner on the ground, with my lawyer and with
21 the prince, yes.

22 Q Okay. You had mentioned two princes, so
23 which prince was that?

24 A I cannot pronounce his name right now. I can
25 send it to you, but it's the minister of defense right

1 now of the country.

2 Q Okay. And what was his position at the time?

3 A At that time he was offer me to come to the
4 country and to invest money in the country for the
5 cannabis field.

6 Q Okay. But did he --

7 A He didn't have position at that time.

8 Q Okay. Was that --

9 A At that time he was the prince. He didn't
10 have a position at that time.

11 Q Okay. So you had mentioned the brother of
12 the king and the son of the king, which one is it?

13 A The brother of the king. The son of the king
14 is responsible for the free zone of the country.

15 Q For the free zone you said?

16 A Free zone. Free zone. Supposed to place the
17 cannabis field there to be not controlled by the
18 country and controlled by the freedom.

19 Q Okay. So you had -- the verbal communication
20 you had with respect to the proposed agreement grants
21 for the exclusive license was with the brother, right,
22 the brother of the king?

23 A With the brother of the prince.

24 Q Yes.

25 A It was with the prince, it was with the prime

1 minister, it was all the people on ground when I went
2 the first time.

3 Q Okay. And you said and also your lawyer?

4 A And also my lawyer from Eswatini was in all
5 the meetings, yes.

6 Q You said lawyer from Eswatini?

7 A Yeah. He's an Eswatini lawyer that I hire.
8 Right when I start to do the operation in Eswatini, I
9 hire a local lawyer. They know the laws in the
10 country.

11 Q Do you recall his name?

12 A Hold on. Oh. I send it you. What is his
13 name on the documents? His first name is Khumalo,
14 K-H-U-M-L -- U-M-A-L-O. His last name is
15 A-T-T-O-R-N-E-Y-S.

16 Q Khumalo Attorneys, is that the name of his
17 firm?

18 A Yes.

19 Q Okay.

20 A His first name is Khumalo, his last name is
21 very com- -- it's very long and I don't have it. I
22 cannot pronounce his -- you know, this is his firm.

23 Q That's fine. So his first name is Khumalo,
24 but he has a firm called Khumalo Attorneys?

25 A Yes. He's from Eswatini and he's working for

1 me on the ground there.

2 Q Okay. All right. Thank you.

3 MS. NICOLEAU: All right, Trish.

4 MS. FUCHS: Okay. Ready for the next exhibit
5 then, Raynette?

6 MS. NICOLEAU: Yes. Go ahead.

7 MS. FUCHS: Okay.

8 (SEC Exhibit No. 41 was marked
9 for identification.)

10 BY MS. FUCHS:

11 Q I brought up to the screen what we have
12 marked as Exhibit No. 41. It's a multipage document.
13 The first page you'll see is an e-mail string from
14 October 10th, 2018 from Tomer Hefetz to Leonard Tucker.
15 There are several people who were copied, including
16 DanOran@Aol.com. It says asking about to send sales
17 agreements with companies in Germany and USA referred,
18 and proposal letter of March 2018. And then you'll see
19 further down when Mr. Tucker is saying to, "Per our
20 conversation, please find attached PSIQ proposal to the
21 Kingdom of Eswatini dated March 28th, 2018, an
22 establishment of growing farm and processing plant for
23 medical cannabis and hemp products in Eswatini.
24 Kingdom of Eswatini preliminary approval letter dated
25 September 3rd, 2018 and draft press release for

1 October 10th, 2018." And then you'll see the
2 attachments.

3 Can you go through this document and tell me
4 if you recognize it and then I can scroll down as
5 you're reading it. Just let me know when you want me
6 to scroll down further.

7 A Tomer is the guy from Israel that want to
8 connect us with a few companies on Germany. That they
9 allowed to import the cannabis to Germany from outside
10 the country and we try to connect with him, and try to
11 presell the product that we going to raise in Eswatini.
12 That's what I remember in that conversation and that
13 e-mail. I been talk to Tomer a few times when I was in
14 Israel and that's all about. Nothing happened because
15 we didn't grow anything in Eswatini.

16 Q Okay. And do you recall these e-mails?

17 A I have. I have. I didn't write any e-mail.
18 So I have thousands of e-mails in my e-mail box. I
19 probably go over the e-mail, yes. If you have any
20 other question, I can answer it.

21 Q Okay. So I'm looking at the attachments that
22 it said from Lenny and the first one if you look, I've
23 scroll down to March 28, 2018 proposal for established
24 plant of growing farm and processing plant for medical
25 cannabis and hemp products in -- it says Swaziland and

1 it's directed to the minister of commerce, industry and
2 trade.

3 Do you recognize this attachment, this
4 proposal?

5 A I'm assuming, yes. If it -- I probably read
6 it, you know. What is the question?

7 Q Okay. Well, first, do you recognize this?

8 A Yes. I recognize, yes. Yes.

9 Q Okay. Who prepared this document, this
10 proposal?

11 A Probably it's prepared by Lenny Tucker and --
12 I don't know. It's coming from us to -- going back. I
13 don't know who write it down. I don't know who prepare
14 it. On behalf of Profile Solutions and PSIQ. Probably
15 lawyer or Lenny with the lawyer, or somebody prepare
16 the document.

17 Q Okay. Why was this document prepared?

18 A You ask me two years later. I don't
19 remember. A year later, two years later, I don't
20 remember why. I have no clue. I don't have memory why
21 we prepare it.

22 Q Do you know -- like, for example, do you know
23 if it was required?

24 A It was what? Excuse me?

25 BY MR. SALLAH:

1 Q Was it required?

2 BY MS. FUCHS:

3 Q Do you know if this was a requirement?

4 A If you can go -- you can scroll down more --
5 a little bit more?

6 Q Oh. Sure. Absolutely. I'll keep going.

7 Tell me if I'm too fast or too slow.

8 A Stop. You can scroll more a little bit.

9 This has been -- I'm not sure a hundred percent, but I
10 think it was requested by the government of Eswatini to
11 put a table, work how we should work on the Eswatini.
12 They didn't know how to do it, they ask us to do it if
13 I'm not mistaken.

14 Q Okay. I'm going to keep going down. As
15 you're going through this document as we're scrolling
16 down, does it look familiar?

17 A It looks familiar, but I -- you know, it's
18 too long I don't recall exactly, but I think part of
19 the process of to get the license after I refused the
20 temporary one. I don't know if it was this one that we
21 try to build with them a way to get what company need
22 to do to get a license and we go through all the
23 structure how to build a cannabis company in Eswatini.
24 What is the requirement. What is -- what they going to
25 ask from the company. We build with them the structure

1 of cannabis in the country and that's what I remember.

2 Exactly on the minute right now, I need to sit and read
3 the whole structures to go details through this
4 documents, but I'm assuming that was the purpose of
5 that document.

6 Q Do you recall whether or not you reviewed
7 this document before it was submitted?

8 A I recall I viewed the document possible and
9 the lawyer review the documents it's for sure, so I did
10 read the documents, but I cannot right now go back to
11 the documents. It's too long. I cannot go details on
12 the documents.

13 Q If you look at the page I'm on now where it
14 says 5.10, it says that we have sales agreements for
15 all products with companies in Germany and USA.

16 A USA is optional. We have -- at that time I
17 have few relationship in Germany that want to buy the
18 whole product. I didn't do the agreement because we
19 didn't start to grow, but, yes, it was offered. All
20 the product was supposed to be sold before we even grow
21 them up.

22 Q And what about Germany?

23 A Germany in that time was the only country you
24 can import cannabis from overseas. And I have the
25 connections in Germany to be able to close a few deals

1 before we -- when we just start to grow. I can close
2 the whole product sold to Germany before, but it never
3 happen.

4 Q So at that point did PSIQ have sales
5 agreements?

6 A I don't understand the question.

7 MR. SALLAH: Can you ask it one more time?

8 BY MS. FUCHS:

9 Q So is that correct that at that time PSIQ had
10 sales agreements for all products with companies in
11 Germany and USA.

12 A I have verbally sales agreement. I didn't
13 write the agreement because I didn't raise the goods
14 yet. But I very verbally sales agreement with people
15 that related to me all over those countries, including
16 US, but US you cannot import anything at that time,
17 until now you cannot import. But Germany, definitely
18 we can import and Canada. And it was part of the plan
19 to -- when we get the license to sign the contracts.

20 Q And with the stage development No. 6, the
21 different phases, was this a requirement that there'd
22 be different phases? Was this an Eswatini requirement,
23 for example?

24 A I don't know. I cannot tell you right now.
25 I don't know. I need to ask the lawyer what does it

1 mean.

2 Q Okay. For No. 7 when it says licenses and it
3 said, Newco will apply to the Swaziland authorities for
4 all needed licenses and permits was that Newco you're
5 referring to, is that the new -- I guess a new company
6 that was supposed to be formed?

7 A Exactly. The new corporation Stem.

8 Q At that point -- what was that status at that
9 point in forming a corporation?

10 A I don't recall the dates. I don't know the
11 dates and I cannot recall to put together the timeline
12 and stuff. If you want me to go that deep, I need to
13 know the dates, timeline, when, how. I cannot answer a
14 question like this. I don't know.

15 Q Okay. Then when you see where I'm at now,
16 Roman numeral IV, project timeline, which is on page 10
17 of 18 of this exhibit. These time frames, what's the
18 basis of them?

19 A That's what I got from my people on the
20 ground when I go with them how long it's going to take
21 us to build the project and how long it's going to take
22 us to start to manufacturing cannabis on ground.
23 This has been made for -- I think the whole document is
24 made for the Eswatini if I'm not mistaken to give them
25 the details. We prepare it with our partner, together

1 with Stem Holding if I'm not mistaken. We go on all
2 those details together to make sure that we not going
3 to do default from the date of approval.

4 Q So you think this was from Stem Holdings?

5 A No. It was build together with us and Stem
6 to give to Eswatini. They was my partners and we go on
7 those details together. I'm almost a hundred percent
8 positive that they will -- they been involved in all
9 the structure from A to Z. How to build the farm;
10 where to; when we build; how much; what we going to
11 spend; how long. All the details involved with them
12 together to be successful.

13 MS. FUCHS: Raynette, I'm looking for the
14 document, do you have any questions before I
15 continue moving?

16 MS. NICOLEAU: No. Go ahead.

17 MS. FUCHS: Okay.

18 BY MS. FUCHS:

19 Q Where it says "background on Profile
20 Solutions", we're now on page 12 of 18 in Exhibit 41.
21 Where it talks about Profile Solutions through Elite
22 products is a leading distributor and manufacture in
23 the cannabinoid industry. Who wrote this section about
24 the background on Profile Solutions?

25 A I think it's the lawyer.

1 Q Okay. And then where it says the benefits of
2 working with PSIQ group, it talks about -- the second
3 bullet. Our professional consultants and project
4 managers will manage the entire process from inception
5 to completion. Who were the consultants and project
6 managers you're referring to?

7 A I have consulting on ground in Israel. They
8 work with me. They build the farm in Israel. They
9 supposed to build the farm in Eswatini, that never
10 happen. They didn't go to Eswatini, but we build the
11 farm of Israel.

12 Q And what was that farm in Israel you're just
13 referring to now?

14 A When we start the project in Eswatini, I
15 hired -- I don't hired. I had a consultant from
16 Israel; they work with me to build the farm in
17 Eswatini. Because of the terms of the time that
18 happen, it never happen in Eswatini. I got the license
19 and I build a farm in Israel, so those consultant
20 working with me in Israel. So they supposed to be in
21 Eswatini to build the Eswatini farm, but it never
22 happened.

23 Q And then the page I'm on now, which is page
24 14 of 18 of Exhibit 41 where it talks about business
25 summary and income, and revenue. PSI revenue

1 estimations for the first five years first for medical
2 cannabis and then CBD extract. How were these figures
3 -- who provided these figures?

4 A That figures you can provide by yourself if
5 you go to the Internet and see what's the cost of CBD,
6 what's the cost of cannabis and how much you grow per
7 acre, you can do the calculation yourself. We have
8 people, they calculate how much money per acre and how
9 much you retrieve from oil, and how much money you
10 retrieve from flowers. It's well-known prices. At
11 that time it was that prices. To date more low. The
12 prices are low from that time because cannabis changed
13 and a lot of countries now growing them up, so that
14 projection was for that years. It was good.

15 Q So the basis of these projections was from
16 the Internet; is that what you're saying?

17 A No. The basis of the projections of the
18 price on the market that time. We calculate the price
19 of kilogram on the market at that time and we calculate
20 how much we going to growing per acre and what we going
21 to have the results. So it's well-known. Any
22 accounting, any firm, anybody that doing cannabis now
23 can do the calculation. That's the real calculation.

24 Q Okay. And who provided that calculation?

25 A I cannot tell you right no. I don't remember

1 who provide it, but I think it's been provided by Stem
2 because they already growing and they have result and
3 grow for a few years already.

4 Q Okay.

5 MS. FUCHS: Raynette, do you have any
6 questions before I get to the next attachment?

7 MS. NICOLEAU: No.

8 MS. FUCHS: Okay.

9 BY MS. FUCHS:

10 Q The next attachment appears to be a PSIQ
11 press release dated October 10th, 2018. The title says
12 "PSIQ Receives Preliminary Approval from the Kingdom of
13 Eswatini Ministry of Economic Planning and Development
14 to Receive License as an Exclusive Growing Farm and
15 Processing Farm for Medical Cannabis and Hemp."

16 Do you recognize this document?

17 A Yes.

18 Q Okay. And who wrote this document?

19 A If I'm not mistake, we wrote the document.
20 Me and Lenny together. We send it to the lawyers to
21 get it approved after he require go over the documents
22 and everything seems like good, he approve me to
23 release -- to press release it.

24 Q And who is the lawyer you said?

25 A Jackson Morris.

1 Q Okay. And the preliminary approval that's
2 referred to here, is the basis of that what we talked
3 about before, the verbal approval?

4 A It was not. It was not. It was verbal to
5 me. It was right on ground being made. It's not
6 verbal, but I didn't pick it up. So, yes, that's the
7 preliminary agreement. Yes.

8 Q Okay. The preliminary approval?

9 A Yes.

10 Q And with your quote, again, the projections
11 of the 20 to 30 million in annual revenues after
12 facilities establish, what is the basis of that?

13 A Basis of the land that we require from the
14 government in Eswatini and how much we going to grow,
15 and what's the result after we sell the products.

16 Q And the -- where it says about establishing a
17 facility, which is expected to take approximately 6
18 months plus another 3.5 months for initial grow. What
19 is that based on, the six months plus the 3.5 months
20 for initial grow?

21 A To prepare the land to grow cannabis you need
22 6 months to prepare the land to work on the land. And
23 the minute you put the seeds in, you need three and a
24 half months until you going to have flowers, and from
25 the time you have flowers, you can sell it as the

1 flower or you sell it in oil. It depends what shape
2 you want. Our first impression was to sell flowers and
3 after the second round, to sell flowers and to do oil.
4 It's a process. You cannot just come and put things
5 onto the ground and you going to start to grow. It
6 doesn't work this way.

7 MS. FUCHS: Raynette, do you have any
8 questions before I move onto the next document in
9 Exhibit 41?

10 MS. NICOLEAU: Yeah. If you can stop and
11 just back up a little bit on that press at the
12 top. Okay. Right there.

13 BY MS. NICOLEAU:

14 Q Mr. Oran, you see the statement under about
15 Profile Solutions direct subsidiary Elite products
16 International a leading distributor and manufacturer in
17 the cannabinoid industry?

18 A Yes.

19 Q What is that statement based on?

20 A Based on our company growth; based on share
21 market in the United States; based on future sales that
22 we propose to make; based on distributor that we sign
23 up; based on our belief that the company will be
24 successful and we work many hours to make it happen.

25 Q Okay. But this statement says that Profile

1 Solutions is a leading distributor and manufacturer in
2 cannabinoid. It's present tense as opposed to the
3 future. I'm sorry. Go ahead.

4 A If you check share market of Profile
5 Solution/Elite, you see how much we on the market. We
6 almost all over the country, including South America,
7 including Brazil, including Mexico. You can check if
8 you really want to check about the company. That's
9 what mean leading. We are leading. We are going to
10 all the show, selling to all the customers. We are
11 almost present in any state that's legal. We there.
12 That's not leading? What is that?

13 MR. SALLAH: No. No. Just answer the
14 question.

15 BY MS. FUCHS:

16 Q And so you said that you were basing in part
17 on future sales or future business.

18 A Present and future business.

19 Q Is that correct?

20 A Yes.

21 Q Okay. So at the time that this statement was
22 made in 2018, was Profile Solutions a leading
23 distributor and manufacturer in the cannabinoid
24 industry?

25 A Yeah. In the state of -- in the United

1 States of America, yes. In my opinion, yes.

2 Q Okay. And so -- and your opinion is based on
3 what?

4 A Based off our sales. Based off our presence.

5 Based off our customer refer back to the company.

6 Based on the structure of the company we build.

7 Q Okay. And so this is based on sales of Elite
8 products in 2018?

9 A That's correct.

10 Q Okay.

11 MS. NICOLEAU: Trish, thank you.

12 MS. FUCHS: Okay.

13 BY MS. FUCHS:

14 Q And then if you -- we're going down to the
15 last page of Exhibit 41, which appears to be a letter
16 dated September 3rd, 2018 from the Ministry of
17 Economic, Planning and Development to Mr. Dan Oran
18 chairman of Profile Solutions. It talks about an
19 establishment of growing farm and processing plant for
20 medical cannabis and hemp products, and it references
21 -- it says, referencing your letter dated March 28,
22 2018. You can take a moment. And I'll scroll down as
23 you tell me to if you could tell me if you recognize
24 this document.

25 A Yes.

1 Q Do you recognize this document?

2 A Yeah. I do.

3 Q Okay. And tell us what it is.

4 BY MR. SALLAH:

5 Q What is the document?

6 A What is the document? I don't understand.

7 She doesn't know what --

8 Q No. No. What's the purpose of the document?

9 Why was it sent to you? What did you take it to mean
10 when you got it? What's your interpretation of the
11 document?

12 A This is answer for our proposal.

13 BY MS. FUCHS:

14 Q Okay. So this is in response to your
15 proposal. Let me ask you a question. It says --
16 before it says yours faithfully it says, "This letter
17 represents only an initial indication of our interest
18 to engage with PSIQ with respect to the new proposed
19 operation." It doesn't say anything about preliminary
20 license.

21 A Guys, I'm not the Eswatini government. I'm
22 not the Eswatini commerce of affair. That's what they
23 send and that's the way they send it. I don't know
24 this question. You need to ask them. I can show you
25 what we reply. I can send you what we ask and I can

1 send you what the agreement was with them. After that
2 this is what they send, whatever. I don't do anything
3 until I get what I want anyway. I ask for a 10 year
4 license exclusivity in the country. I didn't got it.
5 I didn't do any other efforts besides to spend \$100,000
6 between my efforts between back and forth, stay in
7 hotel, spend my time, spend my effort. That's what I
8 did. I didn't do anything else. What they write, what
9 they going to write in the future and what they going
10 to say in the future, I don't know. I tell you what I
11 did. I send them documents, request for X of license;
12 didn't retrieve what I want, I didn't do anything yet.
13 That's what I can say. I cannot say what they write
14 and why they write, and who wake up in the morning with
15 different mood. That's not what I want.

16 Q Were you concerned when you saw this letter
17 that says it represents only an initial indication of
18 our interest to engage with PSIQ?

19 A I very concerned after I receive that letter,
20 that's why I didn't do business until today. I think
21 they mislead me. And I offer one of the time to sue
22 them even in the United States for misleading me, but,
23 you know, I'm not going to sue the government of
24 Eswatini, including his king because nothing going to
25 come out of it anyway, so I leave it like this. You

1 know, I just get out of the deal, keep my life, take my
2 losses and keep going. You know, that's what I can do.
3 I didn't do anything to mislead anybody. I didn't do
4 anything to mislead my pocket, my money. I didn't do
5 anything to mislead my investors. I did it in honest
6 way that I was sure I will get what I request from
7 Eswatini government.

8 Q When you saw this letter that said it
9 represents only an initial indication of our interest
10 to engage with PSIQ rather than saying anything about a
11 license, did you do anything? Did you follow-up with
12 anyone?

13 A I follow-up with my lawyer. I follow-up with
14 my partners. I follow up with my prince. I yelled in
15 the phone. I send them bad messages, but it didn't
16 help. That's their structure and it's Africa. I need
17 to understand from the beginning that I deal with
18 Africa, that's it.

19 Q What does that mean, you need to understand
20 you're dealing with Africa?

21 A Because in Africa anybody tell you something,
22 they mean something else. They don't mean to do
23 anything. They just mislead you.

24 MR. SALLAH: Can you guys scroll down just a
25 little bit. Down the other -- I'm sorry. The

200

1 other way. Now the other way. Other way.

2 MS. FUCHS: Here?

3 MR. SALLAH: Just the top. Okay. Perfect.

4 Thank you.

5 MS. FUCHS: Okay.

6 BY MS. FUCHS:

7 Q So you spoke with some people about this
8 letter; is that correct?

9 A That's correct.

10 Q Okay. Which -- who was the attorney that you
11 smoke with?

12 A The same attorney that I give you his name in
13 the beginning, Khumalo. He's on the ground in Eswatini
14 and he's going back and forth between the government,
15 to me and to the structure of the deal at that time.

16 Q Okay. Did you send any e-mails to anyone or
17 any letters to anyone basically saying what's going on.
18 Why are you sending a letter that says it represents
19 only an initial indication of our interest?

20 A I'm assuming we didn't send a letter. We
21 send my partner on the ground to meet the prince and we
22 meet the prime minister; we meet the minister of
23 health. My people on ground did it. What happened
24 from it? Promises and promises. That's nothing. We
25 changing the government. It's a new government. You

1 know, all kind of story until December 31st, 2020 I got
2 all the stories in the world, that's why I decided I'm
3 not spending no more effort and money, and things with
4 them. And I keep going. I just cut my loses.

5 Q When you got this letter, were you concerned
6 that the government was backing out and they weren't
7 going to offer you a license?

8 MR. SALLAH: Whoa. Whoa. Whoa. You can
9 answer that, but I'm not sure if that's what the
10 letter suggest that they're backing out. It says
11 our intention is to engage PSIQ and approve their
12 licenses. I wouldn't characterize it as backing
13 out, but you can answer the question.

14 A In my opinion, somebody pay them money to get
15 the license. That's my opinion, but I don't have proof
16 for it.

17 BY MS. FUCHS:

18 Q I'm sorry. Someone paid who money?

19 A In my opinion --

20 Q Yes.

21 A -- somebody paid the government money from
22 this side to get license and not me, and they push me
23 around until I get tired from them, you know. That's
24 my opinion, but I don't have proof for it.

25 Q Oh. So when you're --

1 A We will see and hen we'll see who got the
2 license.

3 Q Okay. So you're saying in your opinion
4 someone is going or will be getting a license because
5 they paid money; is that what you're saying?

6 A They bribe everybody in town probably and
7 they got the license. I don't know if they got
8 anybody, but I'm assuming that's what's going to happen
9 because it cannot be. I spend -- I build them. I
10 build the cannabis industry in that country to be
11 legal. I write the law with them to make sure they
12 have the right laws. I did everything to make sure
13 they going to be accurate like in the United States and
14 they stop me. In my way I been stopped, you know, but
15 I have nothing to do.

16 Q Did anyone approach you to ask you to give
17 them money to get your license?

18 A Nobody ask me to give them money. I have
19 people approach me from Eswatini to part with me to get
20 the license. I didn't agree to do any business with
21 anybody on the ground. I didn't want to do any
22 business with anybody on ground where I do have control
23 on the business, so I just step out. Any calls I got
24 from them, I just leave it to see what's going to
25 happen with the license.

1 Q But did someone ever approach you, whether
2 directly from the government or through a third party,
3 or to -- did anyone ever approach you or one of your
4 representatives or partners and suggest that you would
5 get your license let's say quicker or it would come
6 through if you paid money, or gave something of value?

7 A I not do business like this any part of world
8 I do business. I do hundred percent caution business.
9 If somebody ask me something like that, I stop the
10 business with them, long time ago. I'm not the guy. I
11 don't give bribe to nobody.

12 BY MR. SALLAH:

13 Q I got it, but that's not what she asked you.
14 She's not saying if you did it. She's asking if anyone
15 ever --

16 A Nobody. Nobody. Nobody. Nobody ask me
17 because they know that I am not going to do it.

18 BY MS. FUCHS:

19 Q Okay. So nobody ever suggested to you that
20 things could get hurried up if you paid any money or
21 gave someone in the government something of value?

22 BY MR. SALLAH:

23 Q Yes or no.

24 A No.

25 BY MS. FUCHS:

1 Q Okay. I'm just going to the top for a
2 second.

3 And do you know -- I'm just going back to the
4 top, the first page. Do you know why Lenny sent these
5 documents to Tomer?

6 A Because I ask him to send the documents to
7 Tomer to show them that we in the process to get the
8 license and we can commit for the deal. In a minute we
9 have the license, we commit the deal in Germany and we
10 can do the deal from Eswatini.

11 Q What was Tomer supposed to do with these
12 documents?

13 A Tomer have connections with the German
14 company. He's open and do some business with them.
15 It's not easy to get to the industry in cannabis in
16 Germany. You need to be very well connected. Tomer
17 have the connections and I trust his judgment to make
18 sure that if we want to be read to sign contract with
19 the Germany company, I need Tomer to be involved and to
20 do the sales for me.

21 Q And this says it was a draft press release,
22 do you know if this press release went out, like if it
23 was edited before it went out or if it went out as is?

24 A I have no clue this is get out from Lenny
25 Tucker e-mail so I don't send -- I don't send e-mails

1 to anybody. You can see only two e-mails in my whole
2 life I send. I don't send e-mails. I ask my staff to
3 seasoned e-mail and I don't send anything, so I don't
4 know what's there.

5 Q Okay.

6 MS. FUCHS: Raynette, do you have any other
7 questions on in document?

8 MS. NICOLEAU: Yes. Could you scroll to the
9 very last page, please.

10 BY MS. NICOLEAU:

11 Q Mr. Oran, do you recognize that name, his
12 royal highness prince and I can can't pronounce the
13 name?

14 A Yeah. Yeah. Yeah. This is one of the
15 princes.

16 Q Okay. Is it one that you've spoken to?

17 A So that's one of the princes. I bring him.

18 Q Okay. That's one of the princes that you
19 brought to the US?

20 A Yeah. This one is -- I think he's the king's
21 son.

22 Q Okay. The son.

23 A He's the one that have the economic zone, you
24 know. He control all the part of the country, the free
25 zone.

1 Q Okay. Thank you, Trish.

2 MS. FUCHS: Okay.

3 MR. SALLAH: Trish, before you ask any
4 questions, stay on the record; I'm just grabbing a
5 diet coke right there.

6 MS. FUCHS: What's that?

7 MR. SALLAH: I'm grabbing a diet coke. We
8 don't have to go off the record, it's right there.

9 MS. FUCHS: Okay. I'm trying to share a
10 document, I'm just having an issue.

11 MS. NICOLEAU: Which one?

12 MS. FUCHS: 29.

13 MS. NICOLEAU: Okay. Let me see.

14 (SEC Exhibit No. 29 was marked
15 for identification.)

16 BY MS. FUCHS:

17 Q Can you -- can you see it?

18 A Yes.

19 Q You can see Exhibit 29?

20 A Yes.

21 Q Perfect. Okay. All right. So I'm showing
22 you what's been marked as Exhibit 29, a PSIQ press
23 release dated October 10th, 2018 stating, PSIQ receives
24 preliminary approval from the Kingdom of Eswatini
25 Ministry of Economic, Planning and Development to

1 receive license as exclusive growing farm and
2 processing plant for medical cannabis and hemp in
3 Eswatini. So if you can take a moment, I'll scroll
4 down as you read. Just let me know when you want me to
5 scroll down or up and let me know when you had an
6 opportunity to read it.

7 A I want to understand what is it exactly.

8 It's the same thing about Eswatini.

9 Q Right. You did -- before it said draft press
10 release, so you didn't know if it was actually the
11 final. So now we're showing Exhibit 29, which is a
12 press release dated October 10th, 2018 and this is on
13 OTC Markets.

14 A This is a 2020.

15 MR. SALLAH: No. 2018. Press release --
16 (simultaneous cross-talk.)

17 MR. SALLAH: Is there a question or you just
18 want him to review it first?

19 BY MS. FUCHS:

20 Q Just -- once you've reviewed it let us know.

21 MR. SALLAH: Once you've reviewed it let them
22 know.

23 A This is exactly what we say in the other
24 press release. I don't understand. It's the same
25 thing.

1 BY MS. FUCHS:

2 Q Okay. So you've had an opportunity to review
3 it?

4 A I read it. It is exactly what --

5 Q Okay. So who -- again, 'cause this is the
6 final one as the draft.

7 So who prepared this document, this press
8 release?

9 A I don't know. I think we hire a company to
10 prepare the press release. I really cannot recall who
11 prepared that particular one.

12 Q And who approved this press release?

13 A I read it, the lawyer read it and we approve
14 it together.

15 Q And the lawyer, was that Jackson Morris?

16 A It can be Jackson Morris or Eddie Nurieli. I
17 don't know at this present time who. Some -- one of
18 the lawyer approved it.

19 Q Okay. In light of that September 3rd, 2018
20 letter which we saw a short while ago with Exhibit 41,
21 was there a concern in saying that there was a
22 preliminary approval from Eswatini?

23 A I was not concerned until December 31st, 2020
24 that I would not have this license. I will -- I been
25 not concerned with anything. I believe them that they

1 do the license, that they going to give us the license
2 until December 31st, 2020.

3 Q Because the other letter that we just looked
4 at from Swaziland government, it said that there was
5 only an indication of interest to engage. So based on
6 that statement, why did PSIQ issue this press release?

7 A Because --

8 MR. SALLAH: I'm going to object to the form.
9 It was a very long press release. It didn't say
10 that at the end. It also said that our intention
11 is to engage PSIQ and approve -- to approve the
12 sale of blah, blah, blah, blah. So this was a
13 little -- but I understand. You can go ahead and
14 answer.

15 A After that letter I call to the prince and he
16 tell me don't worry about. This inside something for
17 them. You know, them to go to the right way to approve
18 the license. I didn't worry about them not to issue
19 the license because I believe them and I trust them.
20 That guy, they come to my house and eat with my family.
21 They promise that hundred percent a way to get the
22 license; we doing the right thing. I trust him. Until
23 December 31 I was believing them that I going to get
24 the license. If you call the prince now he will tell
25 you that I going to get the license, but I don't want

1 it no more.

2 Q But I guess why -- why did PSIQ issue this
3 press release when in September? The letter from the
4 Minister of Economic, Planning Development had said it
5 was an intention to engage and represents only an
6 initial indication of our interest to engage, so why
7 was this still sent out like this? Why didn't it
8 say -- why didn't this press release state that there
9 was indication of interest?

10 A I cannot tell you why we did it. I read it
11 before I announced it and I didn't have any intention
12 to mislead anybody because they tell me that I'm
13 getting the license. And when I call after this
14 letter, they tell me it's inside letter from the
15 Eswatini inside government letter, I need to get it. I
16 get it. I didn't do it. I don't know why. I cannot
17 answer why. I didn't do it.

18 Q Was there any discussion that people reading
19 this press release would have an understanding that
20 there was preliminary approval?

21 A I don't have any discussion with anybody
22 about anything about the company. I work only for the
23 good of the company. I didn't mean to mislead anybody.
24 I didn't put it and advertise it to mislead anybody. I
25 did it because I think that's the right way to not to

1 lie to anybody because that's the truth that I going to
2 get the license. And by this letter it doesn't look --
3 for you maybe it doesn't look good. For me after I
4 talk to the prince, I trust his word and I believe him
5 until 31st of December. I did believe him. That's
6 what I can say. Why? How? It happen. That's what
7 you got.

8 Q But before this press release was issued, was
9 there any discussion amongst -- within PSIQ, was there
10 any discussion of whether or not this press release
11 should be issued in light of that September 2018
12 letter?

13 A I talk to any press release, I talk to the
14 lawyer and the lawyer have all the documents up front
15 and they -- if I -- if this press release come up to
16 her it's two reasons; because the lawyer approve it and
17 because it's the truth. It's no other reason why we
18 put the press release out. So if by any chance we
19 mislead this letter and the lawyer didn't get it before
20 or this press release was already on the system and we
21 didn't pay attention, I don't know. I cannot tell you.
22 It's two years ago. It's nothing on purpose.

23 Q Did -- the lawyer who reviewed it, did they
24 send something in writing approving this press release
25 in light of the September 3rd, 2018 letter from the

1 Ministry of Economic Planning?

2 A I don't recall, but we can find out from the
3 e-mails. I don't recall. I'm sorry. I cannot go back
4 to that terms, but if I go dig in the files and find
5 the e-mails and look for them, I probably going to find
6 the lawyer approve it.

7 MS. FUCHS: Raynette, do you have any
8 questions about this exhibit?

9 MS. NICOLEAU: No.

10 MR. SALLAH: He needs to go to the restroom.
11 Can we take a quick break, Trish?

12 MS. FUCHS: Yeah. Absolutely. Absolutely.
13 We take a break.

14 (Whereupon, a brief recess was taken, after
15 which, the following was had.)

16 MS. FUCHS: We're back on the record after a
17 short break. during that time we had no
18 substantive conversations; is that correct?

19 A That's correct.

20 BY MS. FUCHS:

21 Q Okay. Mr. Oran, you had mentioned when we
22 were talking about how recently you just decided not to
23 pursue a license anymore in Eswatini and I know you had
24 mentioned that there was another company where you got
25 licenses about three weeks ago I think you said. You

1 received it in Israel; is that correct?

2 A Yeah. Canaberry Tech. It's one of our
3 affiliate of PSIQ. We applied for a license two years
4 ago and we process the farm. For the last two years we
5 build the farm and we just got the license to start to
6 operate. So in the beginning of February we going to
7 start to operate the farm in Israel.

8 Q Okay. And that's -- so Canaberry Tech has
9 a -- has an agreement with the farm; is that correct?

10 A No. The farm belong to Canaberry Tech. We
11 build it. We have agreement with the farmer to grow
12 for us and to be in this process, and we build the
13 facility in Israel.

14 Q And what does it --

15 BY MR. SALLAH:

16 Q A farm in Israel and they're going to convert
17 it to grow?

18 A It already been converted. It's ready grow.

19 Q So you bring in the farmer and so as of
20 February you guys are going to start growing?

21 A All my team start to grow there, yeah.
22 Research and development. The plan that I have to do
23 in Eswatini I convert it to Israel. Now we doing it in
24 Israel instead because I got the license already.

25 Q So you have a license. And what does the

1 license provide?

2 A To do research and development in the country
3 of Israel for cannabis.

4 MR. SALLAH: We can provide you with that.

5 Canaberry Tech, the subsidiary.

6 MS. FUCHS: Okay.

7 A I got in English and in Hebrew. I translate
8 it to English, so we have it as well.

9 (SEC Exhibit No. 32 was marked
10 for identification.)

11 BY MS. FUCHS:

12 Q Perfect. Okay. I'm sharing a document that
13 was marked as Exhibit No. 32. Are you able to see it?

14 A Yes.

15 Q Okay. And for the record, this is a
16 document. It's a letter dated February 15th, 2019.
17 The Kingdom of Eswatini Ministry of Health. It is to
18 Stempro Eswatini Limited. It talks about the
19 application for cannabis license. It says the Ministry
20 of Health would like to acknowledge receipt of your
21 application to operate in the business of cannabis
22 cultivation for medical use and research. It says, on
23 behalf of the minister of health who is mandated by law
24 to authorize the issuance of such a license, they
25 express their gratitude for interest and they said they

1 will revert to you once they have finalized their
2 internal process.

3 Do you recognize this document?

4 A Yes.

5 Q And did you receive it on or about the date
6 of the letter?

7 A I cannot recall the date, but I received that
8 letter.

9 Q Okay. So can you explain to us the
10 connection in Eswatini between the minister of health
11 and then the other letter that came from the Ministry
12 of Economic, Planning and Development how they work
13 together?

14 A To understand what's going on in Africa, you
15 need to be in Africa.

16 Q Okay.

17 A There's nothing that I know that I need to go
18 through in the beginning. This is develop around the
19 time that they promise to issue a license. So each
20 time they push to somebody else responsibility, give me
21 a few months, after a few months they move it to
22 another to give me few months. They drag me like this
23 for two years. They promise to issue the license in
24 three months. So I spend the time, the effort, my
25 money to get the license. Apparently I understand that

1 it not going to happen at the end of the year of 2020.

2 So again I'm telling you, I'm tired to listen to
3 nonsense and promises that I don't know if they going
4 to complete them. I move on from that Eswatini because
5 of that.

6 Q Were you surprised to get this letter from
7 the Ministry of Health?

8 A I don't surprise to get anything from them
9 because they every day doing something to keep me on
10 the deal. They try to keep me on the deal with phone
11 calls, with text messages, with -- we already there.
12 We already come after the deal, but, You know, I cannot
13 keep it like this.

14 Q So do you know how it works? Does it have to
15 be both the Ministry of Finance and Economic, planning
16 and Development? Do they both have to approve an
17 application in order for a company to get a license?

18 A In that minute after we create the new law
19 with Eswatini, it need to be approved by the prime
20 minister, by the minister of defense, by the minister
21 of police, by the agriculture minister, by the health
22 minister, by everybody that they need to get approved.

23 Q But at this time in February of '19 --

24 A That's a new thing for me. We didn't know
25 that we going to go through the Department of Health.

1 They said there procedure have nothing to do with us.
2 They come up with all these things along the way
3 because they didn't understand how to issue a license
4 and they didn't want to fall between people that say
5 they issue the license because of personal
6 relationship, so they dragging it and dragging it and
7 dragging it to be on the safe side, but for meantime,
8 we lost the opportunity.

9 Q And the letter is addressed to Stempro
10 Eswatini Limited, is that the entity that was in
11 Eswatini that was -- the new company that had been
12 developed?

13 A Yeah. It's the new company that I opened in
14 Eswatini, yes.

15 Q Were you surprised when you got this letter
16 from the Ministry of Health?

17 A I surprise every day. Every minute of my
18 life I got new surprise.

19 Q But at the time you got the letter, were you
20 surprised that they also had to approved your
21 application?

22 A That's not part of our agreement with the
23 government of Eswatini. That's their part inside.
24 It's nothing to do with Stempro. It's their inside
25 creating a new laws to be able to give cannabis

1 license. Apparently somebody wake up in the new
2 government and they see they going to miss the
3 opportunity, so they send a letter. Because I always
4 complain to the prince that I'm backing up, so they
5 create something to keep us more time to see what they
6 want to do.

7 Q When you had met the first time with the
8 prince, do you know if there were any other companies
9 in Eswatini that had applied for licenses to
10 manufacture or grow cannabis and hemp?

11 A Apparently I received few e-mails and
12 documents from other companies that they want to get
13 involved with me on the Eswatini deal. They all
14 Eswatini local farmer, but I didn't answer them because
15 I didn't -- they didn't issue me the license. My plan
16 in the future was to involve anybody who wanted to grow
17 the cannabis and send to us as the master distributors
18 and we export it. That's what the plan, but the plan
19 is not effective no more.

20 Q When you spoken with all these different
21 government officials in Eswatini, had they told you
22 that other entities were interested in obtaining
23 licenses?

24 A They didn't tell me. My lawyer tell me there
25 is other people that try to get license in Eswatini,

1 not them.

2 Q Do you know of any instances when people or
3 companies were turned down in Eswatini for their
4 request for licenses prior to you?

5 A Prior to me it was not law in Eswatini to get
6 any license. I create the law in Eswatini. Because of
7 me they have a law now in Eswatini. That's why they
8 have the law because I provide them with all the
9 procedure how to create a law.

10 Q But do you know about the time that you were
11 having discussions with different government officials
12 in Eswatini, did anyone ever tell you that other
13 companies had tried to operate there in or obtained
14 licenses, but had been denied?

15 A No. I don't know.

16 Q Okay.

17 MS. FUCHS: Raynette, do you have any other
18 questions regarding this document?

19 MS. NICOLEAU: No.

20 MS. FUCHS: Jim, can you go back to Exhibit
21, which was the amended PSIQ S-1.

22 MR. SALLAH: Yes. We're there.

23 MS. FUCHS: Okay.

24 BY MS. FUCHS:

25 Q Going to page 23 of 64. You know we wanted

1 to follow-up -- we talk briefly before about Eddie
2 Nurieli and another director that you had mentioned.

3 First of all, what did Mr. Nurieli do for PSIQ?

4 A He was the board member of the company and he
5 was represent me and when I have law questions, I ask
6 him most of the time because he was very close to me.
7 So most of the e-mails that I need answers fast before
8 to wait for other lawyers, he would answer. He's a
9 lawyer.

10 Q Okay. So he answered questions as a lawyer,
11 was there anything else he did for PSIQ?

12 A Board member. He was part of the board
13 member when we had board member meeting and try to work
14 together to find out new deals, and to decide if we
15 making that deal or that deal. He was part of the
16 board.

17 Q And then the other director that you
18 mentioned you couldn't recall his name, is it your
19 understanding or do you think that the other director
20 was there at the same time as Mr. Nurieli?

21 A Mr. Nurieli got -- resigned few months or
22 couple months, or six months after that subpoena
23 arrived. The other board member was already and part
24 of the time with him on the board. I can make a call
25 if you want the name, I can get the name, but I

1 don't -- I just don't recall in this minute.

2 Q The other director is he still with PSIQ?

3 A He's still a director with PSIQ. We didn't
4 have any director -- anything to do until before the
5 Corona and until now because of the Corona, but we talk
6 on the phone and I brief him about what's going on with
7 the company each time we talking on the phone.

8 Q Okay.

9 MS. FUCHS: Raynette, do you have any
10 questions before I move on?

11 BY MS. NICOLEAU:

12 Q How much is the other director paid?

13 A I think they pay with shares. If I'm not
14 mistaken, we have an agreement to pay with them shares.
15 I don't recall. They didn't get -- only Eddie gets
16 paid I think \$500 a week or month, or \$1,200 a month
17 after that because he did a lot of work with me, but
18 other director didn't get paid. We promise to pay him
19 with shares. So he didn't get paid money.

20 Q Okay.

21 MS. NICOLEAU: Trisha, if you can scroll down
22 on that page that you're on or up. The other way.

23 A Yes.

24 MS. NICOLEAU: Keep going a little bit. Hold
25 on a second. Right here.

1 BY MS. NICOLEAU:

2 Q Do you see where it says we have a two-year
3 director's agreement with Mr. Nurieli who serve as the
4 director and provide consulting services through
5 November 30th, 2020?

6 A Yes.

7 Q An annual salary of 52,000?

8 A Yes.

9 Q Was he not paid 52,000?

10 A He didn't get paid 52,000. I don't think
11 he -- if I recall, he get paid \$2,000. 1,000 a month,
12 or 2,000, or 1,500. I don't know. The book and
13 records show. I don't know. It's not something that I
14 remember, but he didn't get paid 52,000 a year. How
15 much is the --

16 MR. SALLAH: He got four grand a month I
17 think.

18 A He gets paid -- if you ask me, he gets paid
19 2,000. I don't know. I don't know. I don't want to
20 tell you numbers that I don't remember.

21 BY MS. NICOLEAU:

22 Q Okay. So you had an agreement to pay him,
23 but you didn't actually pay him the 52,000 annually?

24 A I didn't pay him because he work with me for
25 a few months and then that thing happened, and I stop

1 to pay him because I tell him I cannot pay anybody. I
2 need to keep the company alive. I pump in more money
3 from my own pocket and I cannot pay him, so I stop to
4 pay him.

5 Q Does Nurieli also review press releases for
6 PSIQ?

7 A I'm positive that he review any press release
8 when he was with me.

9 Q You're positive that he did review?

10 A Yes. Positive. Positive.

11 Q Okay. And what about the other director?

12 A I didn't I think -- I think he read them, but
13 I didn't ask his opinion on them because Nurieli is a
14 lawyer and I trust his judgment. He probably read them
15 before I release them, but I didn't ask his opinion to
16 press release and all.

17 MS. NICOLEAU: All right. Thank you, Trish.

18 MS. FUCHS: Okay. Jim and Mr. Oran, if you
19 can go down to stay on the same exhibit, Exhibit
20 21, but go down to page 26 of 64 where it says
21 "selling stockholders".

22 MR. SALLAH: Yeah. We're there.

23 MS. FUCHS: Okay.

24 BY MS. FUCHS:

25 Q So I want to confirm. So these are all the

1 individuals and entities that were selling pursuant to
2 this S-1 A; is that correct?

3 A That's correct. It's all my friend and my
4 family.

5 Q Okay. And there were no officers or
6 directors selling; is that correct?

7 A I don't understand that question.

8 BY MR. SALLAH:

9 Q Were there any officers or directors selling?

10 A No. They didn't sell. They didn't sell any
11 shares.

12 BY MS. FUCHS:

13 Q Did any of these --

14 MR. SALLAH: Whoa. Whoa. Whoa. Wait a
15 minute. Wait a minute. Whoa. Whoa. Whoa. Time
16 out. There is some confusion. Just --

17 A There was no selling. Nobody sell anything.

18 BY MR. SALLAH:

19 Q Selling stockholders for the purpose of the
20 registration, the S-1?

21 A They are both stockholders from the company.
22 They don't sell any stockholder. They shareholder of
23 the company. The company sold them stock. They don't
24 sell one share, none of them. I don't think so.

25 Q So you're not aware that any of those

1 individuals sold shares?

2 A They cannot sell the shares. Until we have
3 S-1 registration, they cannot sell. They cannot sell
4 any shares. They never sold any shares.

5 Q You don't think any of these people ever sell
6 any shares?

7 A Hundred percent no. They -- hundred
8 percent.

9 MR. SALLAH: Sorry, guys. I digressed.

10 BY MS. FUCHS:

11 Q Okay. Did any of these individuals or
12 entities help pay the cost of preparing and filing this
13 registration statement?

14 A No. The company paid the registration
15 filing.

16 Q Okay. The first entity Capri International
17 Ventures, LLC, who are they?

18 A It's one of my friends that owned a company
19 that is in the cosmetic company. He own a cosmetic
20 company.

21 Q Okay. And what's his name?

22 A His name is, I think, David. I don't know
23 his last name. First name is David.

24 Q Okay. So he's a friend of yours; is that
25 correct?

1 A It's a friend of mine of 30 years; he trust
2 my judgment. I ask him to invest with me and he did.

3 Q Okay. Do you have any business relationship
4 with Capri or David?

5 A I have no business relationship with Capri.

6 Q Okay.

7 A Never had.

8 Q Okay. So no beneficial ownership interest in
9 Capri; is that right?

10 A Never had any business, any relationship
11 beside friendship.

12 Q Okay. No loans or agreements, correct?

13 A No business, no loans, no agreement, no --
14 only friendship and the shares.

15 Q Okay. And then do you see the entity called
16 LAEL investments?

17 A It's another friend of mine. His name is
18 Ofer.

19 Q Do you know his last name?

20 A Ofer Sadik. Sadik.

21 Q Okay.

22 A I think Sadik is his name.

23 Q Do you have the --

24 A S-A-D-I-K.

25 Q Oh. Thank you. Do you have any -- I know

1 you're friends, but do you have any business
2 relationship with Ofer or LAEL Investments?

3 A I don't have any business with Ofer. We good
4 friend of 30 years. I did business with him in the
5 past many years ago, but in this moment we don't have
6 any business relationship.

7 Q When is the last time you did business with
8 him in the past?

9 A If I'm not mistaken, it was around six,
10 seven; something like that.

11 BY MR. SALLAH:

12 Q Did you owe him any money? Did he owe you
13 any money?

14 A He doesn't owe me any money; I don't owe him
15 any money. I don't have anything with him.

16 BY MS. FUCHS:

17 Q Okay. S&H Land Development, who were they?

18 A It's the same guy, Ofer.

19 Q Oh. It's Ofer?

20 A Yeah.

21 Q Okay. Same question. Any business
22 relationship with S&H Land Development?

23 A No. I don't have any business with Ofer, no.

24 Q Okay. No loans or anything like that?

25 A No loan terms, no. No nothing. No nothing.

1 Q Okay. And then Shayna Tucker, is she related
2 to Lenny Tucker?

3 A Shayna Tucker is the daughter of Lenny
4 Tucker, yes.

5 BY MR. SALLAH:

6 Q Montana or Shayna?

7 A Shayna also. He have two.

8 Q Montana is the famous one?

9 A Yeah.

10 BY MS. FUCHS:

11 Q Did Shayna ever provide any services to PSIQ?

12 A I don't think Shayna shares are from the
13 current shareholder. She was in the company before I
14 came.

15 Q Okay. Do you know what she did?

16 A I have no clue.

17 Q Why do you think she was with company before
18 you came?

19 A Apparently that company used to belong to --
20 to be -- Mr. Tucker was involved in the company before
21 I purchased it in 2000 something.

22 Q Was it operating under a different name then?

23 A I assuming, yes, before I got it.

24 Q And do you know how Shayna obtained her
25 shares of PSIQ?

1 A I have no clue. Maybe -- I don't want to
2 confuse here because I don't remember exactly, but it's
3 two options. Or she was from the first investment she
4 put some money and she got shares or she come up with
5 the company when we got the company. I don't remember.

6 Q Okay.

7 MS. FUCHS: Raynette, do you have any
8 questions?

9 MS. NICOLEAU: Yes.

10 BY MS. NICOLEAU:

11 Q Mr. Oran, the second person on the list is
12 Alon Elezra?

13 A Yes.

14 Q Do you see that? Is that the same person
15 that you said was a large customer for Elite products?

16 A That's correct. That guy used to be one of
17 largest customers of the company in 2016, '17, I think
18 '18 and I offer him to buy some shares because of his
19 involvement. It was small amount of money I think.
20 5,000-dollar if I not mistake.

21 Q Okay.

22 BY MR. SALLAH:

23 Q Which person?

24 A Alon Elezra. This one. This is the guy who
25 used to sell for us on eBay, Amazon.

1 Q Oh. That was the one of the two people.

2 BY MS. NICOLEAU:

3 Q And you think he purchase \$5,000 worth of
4 shares?

5 A I'm almost positive it was \$5,000 worth of
6 shares, maybe less than that. I don't remember
7 exactly.

8 Q Okay. And the for first person -- first
9 customer, Capri International Ventures, you said there
10 was a person named David who owns it?

11 A I'm almost positive. I'm not sure. I -- in
12 my memory, but maybe I mix the names. I don't know. I
13 need to stand next to the computer to tell you. But
14 it's somebody that I bring to the company. I just
15 don't remember because I don't have the first name.

16 Q Okay. And so did -- how did Capri
17 International Ventures obtain shares?

18 A They just bought some shares.

19 Q Okay. And do you know for about how much?

20 A I'm assuming couple thousands of dollars.

21 Q Okay. Do you know Rafael Salvia?

22 A Who?

23 Q Rafael Salvia.

24 A Oh. Rafael Salvia, yes. Yes. Is one of our
25 customer from Argentina. RCS International.

1 Q RCS International?

2 A Yes. His company name and he's a -- the name
3 Rafael Salvia.

4 Q Okay. And he's a customer of any products?

5 A He's a distributor overseas in Argentina and
6 Mexico.

7 Q So he's --

8 A My wife on the line. One second, please
9 because she not stopping and she think something happen
10 to me.

11 Q Okay.

12 A Sorry.

13 Q No problem. Okay. So RCS International is a
14 distributor for CBD products?

15 A He's a distributor. He buy products in local
16 and he distribute it overseas, yes.

17 Q Okay. I'm sorry. I just sort of didn't
18 understand everything you said. So distributor of what
19 company?

20 A He's distributor -- he have exclusivity
21 distribution for South America and the country of
22 Argentina, and the country of Mexico.

23 Q Okay. For Elite products?

24 A For Elite hemp products, yes.

25 Q Okay. And does Rafael Salvia have any

1 relationship with Capri International Ventures?

2 A Actually, you know what? I think Capri is
3 Rafael. It's not David. I'm sorry. I apologize.

4 Q Okay.

5 A I know him. I know his company by the name
6 of -- Capri is one of Rafael company. I apologize.
7 I'm taking back David. Is Capri belong to Rafael.

8 Q Rafael is the -- is an LLP, do you know if
9 Rafael is the owner of the company?

10 A I am assuming -- I'm almost positive is
11 Rafael or his wife the owner, but they are to Capri.
12 It's not David. I'm sorry.

13 Q Okay. The Adrianas Batoba (Ph), who is that?

14 A His ex-wife.

15 Q His ex-wife, okay.

16 A Sorry. Too many names, too many things on
17 mind, so is not clear.

18 Q Okay. So while we on that topic.

19 MS. NICOLEAU: Trish, can you go back to page
20 19 of 64. Okay. Stop right there.

21 BY MS. NICOLEAU:

22 Q Okay. You see where it says, we recently
23 establish international distributors in Israel, Mexico
24 and Argentina, RCS International?

25 A That is correct.

1 Q So this is the company you're talking about,
2 RCS International Investments Corp.?

3 A RCS International was and is still the
4 distributor of Mexico and Argentina.

5 Q And has RCS distributed any products for
6 Elite?

7 A He buy products from Elite in the United
8 States and doing his business outside the United
9 States.

10 Q Okay. How much product does he buy from
11 Elite?

12 A I don't -- I cannot tell you numbers. I
13 don't go follow the numbers, but he was -- he supposed
14 to do a big amount of product, but the license that he
15 supposed to get in Mexico delayed. I know that last
16 month he just retrieved the license. It taking time.
17 And he probably he bought few -- maybe 60, 80, 100,000
18 in the time and he's -- we expecting for him to do big
19 business in Mexico because he just got the license out
20 there.

21 Q When did he get the license in Mexico?

22 A I think in 2020. He take time from the date
23 we did the signature with him to import the product
24 until he get the official license. It taking time like
25 in any country, but he called me a few weeks ago to

1 make sure that he still on the distribution of Mexico,
2 that he's going to do big business and I hope he's
3 going succeed. He going to be -- it take time to get
4 those licenses, but we have the agreement place with
5 him already I think two years ago if I'm not mistaken.

6 Q Okay. So does RCS International Investments
7 have licenses in Israel and in Argentina?

8 A No. No. No. I say Mexico --

9 Q Yes.

10 A -- Argentina. What he have, I don't know. I
11 only sell him the products in the US. So he's
12 responsible for his license and for his import and for
13 his releases in those country. We not his partner. We
14 not doing any business out of the US with him.

15 Q Okay. So -- but my question is, do you know
16 if RCS International has a license to distribute in
17 Israel and in Argentina?

18 A I repeat it again. He just got the license
19 in Mexico.

20 Q Yes.

21 A In Argentina I don't know if he got the
22 license and I don't have any clue what he does. He
23 just buy for us for locally for export. We sell him
24 hemp here in south Florida to him.

25 Q Well, did you inquire from -- I guess, it

1 would be Rafael, right? Rafael? Did you inquire as to
2 whether his company would be able to sell your product
3 in Israel, Mexico and Argentina?

4 A In Israel? He's not the one in Israel.

5 MR. SALLAH: Wait. Wait. Wait.

6 BY MS. NICOLEAU:

7 Q I'm reading the S-1.

8 A But Israel it's my company. Is not his.
9 He's in Mexico and in Argentina. He have nothing to do
10 with Israel.

11 Q Okay. Sorry about that. I see it. The
12 second sentence, RCS is the distributor for Mexico and
13 Argentina. Okay.

14 MR. SALLAH: You got it now?

15 MS. NICOLEAU: Yes.

16 BY MS. NICOLEAU:

17 Q So did RCS -- did you inquire as to whether
18 RCS had a license to distribute the product in
19 Argentina?

20 A RCS is a Florida corporation. We selling to
21 RCS Florida corporation. We don't -- and we don't need
22 to see if he have license in Mexico or in Argentina.
23 He tell us that he sell in those countries. I don't --
24 I selling to all Florida corporation.

25 Q Okay. The next sentence says, our agreement

1 with RCS requires first year minimum guarantee of
2 5,000 -- the 500,000 and 20 percent growth per year
3 thereafter.

4 A The first year that's what the agreement with
5 him, but because of his structure with Mexico until he
6 got his license he taking long-terms. I don't think he
7 spend that much of money. I think he spend around
8 100,000 maybe less. This was the requirement and the
9 exclusivity for him through Stem, but I don't think --

10 Q Okay. Go back to the page for the selling
11 share ownership. It's 26 or 64.

12 MS. FUCHS: Yeah. Almost there. I'm here
13 now.

14 MR. SALLAH: Which one? 26?

15 MS. NICOLEAU: Yeah.

16 MS. FUCHS: Yes.

17 BY MS. NICOLEAU:

18 Q Okay. So besides the first two, Capri
19 International and Alon Elezera, is there anyone else on
20 this selling shareholder list that has any other
21 relationship with Elite products or Profile Solutions?

22 A Robbie Hicks, Galit Sagiv, Henry Rengifo,
23 Tomas. That's it.

24 Q So Robbie Hicks is your assistance, right, or
25 used to be?

1 A He was my personal assistance, yes.

2 Q Okay. And what about Henry Rengifo?

3 A He was my IT guy.

4 Q Okay. And then Tomas?

5 A Was a salesperson in Elite.

6 Q Did I say Galit? Galit Sagiv.

7 A Galit was my accounting at that time. She is
8 no longer working for me.

9 Q Okay. Does Ofer Sadik have any other
10 companies that he own or is associated with?

11 MR. SALLAH: We can't hear you, Raynette.

12 MS. NICOLEAU: Okay. Can you hear me now?

13 MR. SALLAH: Now we can.

14 BY MS. NICOLEAU:

15 Q Okay. Does Ofer Sadik who is the owner of
16 LAEL Investments and S&H Land Development, doe he have
17 any other companies that he is either owner or an
18 officer that has a relationship with PSIQ or Elite
19 products?

20 A I don't understand.

21 BY MR. SALLAH:

22 Q She wants to the owner if the owner of LAEL
23 and S&H has any other companies that have a
24 relationship with PSIQ or Elite or anything like that?

25 A The only relationship, we bought from him

1 picture frame for our offices. You know, that's the
2 only relationship. One time buy from him pictures for
3 our offices.

4 Q He sells picture frame?

5 A Yeah. Art Connections is another company of
6 him.

7 Q So he has a company called Art Connections,
8 correct?

9 A Yes.

10 Q And they bought some pictures for the office,
11 some art and picture frames and stuff from Art
12 Connection. Was it substantial? How much money? Are
13 we talk about fine art? Tens of thousands of dollars?

14 A No. No. Maybe a few thousand dollars worth
15 of picture for the offices.

16 BY MS. NICOLEAU:

17 Q Okay. And you said this list comprise of
18 friends and family, who on the list is your family?

19 A Not in this company. This company is my
20 friend. Everybody here is my friend. Not in this one.

21 MR. SALLAH: So this was all friends. This
22 was not family. This was just friends.

23 BY MS. NICOLEAU:

24 Q Okay. So you had mentioned David, is his
25 last name Harari?

1 A David Harari is the partner of Ofer Sadik.

2 They are partners. It's two guys. David Harari and
3 Ofer Sadik.

4 Q Okay. So David -- all right. So he's -- do
5 you know if he's a partner in LAEL Investments and S&H
6 Land Development?

7 A I don't know if they're partnerships. If you
8 look at the records you can find out. I don't know
9 how -- where they partner and where not. They are both
10 my friends. They are no longer partner in this time
11 today.

12 Q Okay. So I'll ask the same question about
13 David Harari with respect to -- do you know whether he
14 had -- does he have any companies that -- where he's an
15 officer or an owner where there's a relationship with
16 Profile Solutions or Elite products?

17 A No.

18 Q Okay.

19 MS. NICOLEAU: Trish, that's all I have.

20 MS. FUCHS: Okay. Raynette, should we go off
21 for a quick break or --

22 MS. NICOLEAU: Sure. Let's take a break for
23 about five minutes.

24 MR. SALLAH: Okay.

25 MS. NICOLEAU: And finish up.

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1 MR. SALLAH: Let me just ask real quick.

2 What are you guys expecting? I'm only asking that
3 because I know we haven't even cover Blackpoll.

4 MS. FUCHS: Yeah. That's what -- I think --

5 MR. SALLAH: I don't think we're going to go
6 9:00 tonight. I mean --

7 MS. FUCHS: Yeah. Yeah. Exactly. We -- I
8 think the purpose -- okay. So we're off the
9 record.

10 (Whereupon, a brief discussion was had off
11 the record, after which, the following was had.)

12 MS. FUCHS: We are back on the record after a
13 short break and during that time we had no
14 substantive conversation; is that correct?

15 MR. SALLAH: That's correct.

16 BY MS. FUCHS:

17 Q Okay. We're just going to down a very few
18 clean up questions. I have Exhibit 29, which is the --
19 we've already talked about it before, the October 10th,
20 2018 Profile Solutions press release and we wanted to
21 know, Mr. Oran, why did PSIQ issue a press release if
22 the company knew that it was illegal -- cannabis was
23 illegal in Eswatini?

24 A I cannot answer that. Ask -- you need to ask
25 the lawyer why he advise me to do that.

1 BY MR. SALLAH:

2 Q Which lawyer?

3 A Eddie. I don't know which one. We need to
4 find out which one I ask to do the press release. One
5 of our lawyers. I need to -- I got to tell her the
6 name. I got to verify who got that and why they tell
7 me to do that. I don't have any --

8 Q Well, if did you think it made sense that --
9 were there discussions about growing cannabis --
10 medical cannabis -- let's -- medical cannabis if
11 cannabis is illegal in Swaziland -- Eswatini?

12 A We are in the middle of the process of the
13 license and -- I don't know. I cannot recall. I don't
14 want to tell you some -- just know that I don't
15 remember. I don't remember. I need to go through the
16 details and I going to get exactly what they want. I
17 don't know. I don't want to tell -- answer because I
18 don't know. It's already the same thing back and
19 forth, back and forth. I don't know. I answer that
20 already.

21 Q Mr. Oran, did you talk to Mr. Nurieli about
22 that, about whether --

23 A I talk to -- before I did any press release,
24 I talk to my lawyers. So I would need to go back to
25 the time of the press release ask which lawyer that I

1 talk to him about and why they all tell me to put it
2 on. I don't want to answer something that I don't
3 remember. I don't remember.

4 Q Do you remember if you had any concerns about
5 PSIQ issuing this press release when knowing that
6 cannabis was illegal in Eswatini?

7 A No. No. No. I have the authorization from
8 the prince for that press release. The prince himself
9 read it, he say it's okay with them for me to do that.
10 I did anything in my ability to make sure that was
11 correct. I didn't try to mislead anybody. You coming
12 back to that, well I telling you again, I did it; I ask
13 permission; I send it to Eswatini; I send it to my
14 lawyer; everybody tell me that we can press lease it.
15 I did it.

16 MS. FUCHS: Raynette, do you have anything?

17 MS. NICOLEAU: No, I don't. Thank you.

18 MS. FUCHS: Okay. Jim, what we spoke about
19 is, continuing Mr. Oran's testimony and we can --
20 you and Raynette and I, we can figure out a date.
21 Hopefully it won't be too long, but we do need to
22 go over the documents that were produced. Some
23 were produced last week and as you know, the very
24 tail end of December.

25 Is there anything else Mr. Oran or Jim that

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1 you want to add before we go off the record?

2 A Yes, please.

3 BY MR. SALLAH:

4 Q What do you want to add?

5 A I don't want to add anything.

6 MR. SALLAH: No. No. He doesn't want to add
7 anything now.

8 MS. FUCHS: Okay. So we're ready go off the
9 record today?

10 MR. SALLAH: Yes, Trish. Yes.

11 MS. FUCHS: Okay. So we are going to go off
12 the record at 5:28 on January 21st with the
13 understanding that we're not adjourning, but we
14 are going to be continuing Mr. Oran's testimony.

15 Thank you so much everyone.

16 (Whereupon, at 5:28 p.m., the examination
17 was concluded.)

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1 PROOFREADER'S CERTIFICATE

2

3 In the Matter of: CERTAIN POSSIBLE ISSUERS OF FRAUDULENT

4 SECURITIES

5 Witness: Dan Oran

6 File Number: FL-04204-A

7 Date: Thursday, January 21, 2021

8 Location: Miami, Florida

9

10 This is to certify that I, Christine Boyce,
11 (the undersigned), do hereby certify that the foregoing
12 transcript is a complete, true and accurate transcription
13 of all matters contained on the recorded proceedings of the
14 investigative testimony.

15

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1 STATE OF FLORIDA

2 COUNTY OF PALM BEACH

3

4 I, Caretha Wisdom, Professional Court Reporter
5 and Notary Public in and for the State of Florida at
6 Large, do hereby certify that I was authorized to and
7 did report said hearing in stenotype; and that the
8 foregoing pages are a true and correct transcription to
9 the best of my ability of my shorthand notes of said
10 hearing.

11 I further certify that said Hearing was taken
12 at the time and place hereinabove set forth and that the
13 taking of said hearing was commenced and completed as
14 hereinabove set out.

15

16 I further certify that I am not an attorney
17 or counsel of any of the parties, nor am I a relative
18 or employee of any attorney or counsel of any party
19 connected with the action, nor am I financially
20 interested in the action.

21 Dated this 3rd day of February, 2021.

22 _____
23 Caretha Wisdom,
24 Professional Court Reporter
25